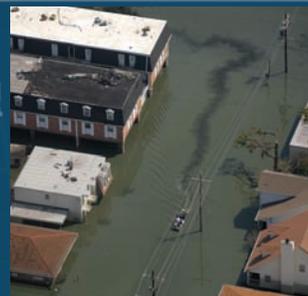
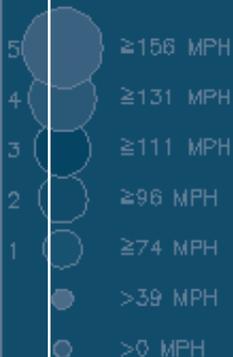




PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY EXECUTIVE COUNCIL ON INTEGRITY AND EFFICIENCY

WIND SPEED



**OVERSIGHT OF
GULF COAST HURRICANE RECOVERY**
A 90-DAY PROGRESS REPORT TO CONGRESS
DECEMBER 30, 2005



PRESIDENT'S COUNCIL on INTEGRITY & EFFICIENCY
EXECUTIVE COUNCIL on INTEGRITY & EFFICIENCY



December 28, 2005

The Honorable Ed Whitfield, Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Whitfield:

It has been precisely four months since the first of three devastating hurricanes -- Katrina, Rita, and Wilma -- hit the United States Gulf Coast. Even as the early stages of the Federal response and recovery activities began, the federal Inspector General community initiated what is the most aggressive, coordinated oversight effort in its history. Under the leadership of the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE), hundreds of auditors, inspectors, and investigators were promptly deployed to the region to ensure that: federal response and recovery funds are spent appropriately; those attempting to defraud the government are brought to justice; and, those responsible for the relief efforts are wise stewards in their efforts to assist those who were so significantly affected by the hurricanes and their aftermath.

The PCIE and ECIE activities are being coordinated by Richard L. Skinner, the chair of the PCIE's Homeland Security Roundtable and the Inspector General of the Department of Homeland Security. Under Mr. Skinner's leadership, Inspector General representatives from all of the federal agencies involved in hurricane relief have been working tirelessly to ensure that: (1) agency internal controls are in place to prevent fraud, waste, and abuse; (2) Inspector General investigative activities are coordinated with the Department of Justice's Hurricane Katrina Task Force; (3) agency stewardship plans for hurricane relief activities are in place and operating as intended; and, (4) the Inspector General community is executing its hurricane relief oversight efforts in a coordinated fashion so that its resources are utilized as efficiently and effectively as possible.

Mr. Chairman, this responds to your request for a progress report from the Inspector General community covering the first 90 days of the hurricane relief stewardship effort. As is disclosed in the report, the impact of the community's efforts has been impressive. In our judgment, this will be of great benefit to overall federal hurricane relief activities.

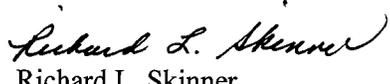
In pursuing this task, we have received notable support from many members of the Congress and, specifically, from committee staff both in the Senate and House of Representatives. Further, we have had the cooperation of agency officials with direct responsibility for various aspects of the hurricane relief effort. Finally, we have received excellent support from the Chairman of the PCIE and ECIE, Clay Johnson, the Deputy Director of the Office of Management and Budget. He has taken an active role in ensuring a robust Inspector General oversight program.

It is a privilege for us to represent the efforts of the hundreds of dedicated Inspector General professionals on the frontline of disaster response and recovery.

Sincerely,



Gregory H. Friedman
Inspector General
Department of Energy
Vice Chair, PCIE



Richard L. Skinner
Inspector General
Department of Homeland Security
Chair, PCIE/ECIE Homeland Security Roundtable



Barry R. Snyder
Inspector General
Federal Reserve Board
Vice Chair, ECIE

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Section I. Executive Summary



New Orleans, LA, September 9, 2005 — A Blackhawk helicopter drops sandbags into an area where the levee broke due to Hurricane Katrina. (Jocelyn Augustino/FEMA)

EXECUTIVE SUMMARY

On August 29, 2005, Hurricane Katrina devastated the Gulf Coast regions of Louisiana, Mississippi, and Alabama. Katrina was the third most intense hurricane to hit the United States in history, and the sixth strongest hurricane ever recorded in the Atlantic basin. Katrina's damage alone was significant; however, when coupled with Hurricanes Rita and Wilma, as well as four other hurricanes that swept the Gulf Coast during the past two years, the damage remains uncalculated. In the wake of Katrina, Congress responded quickly with funds for immediate relief efforts and the long process of recovery. The Federal Emergency Management Agency (FEMA) has issued taskings or mission assignments totaling \$8.6 billion to 57 federal agencies and programs (See Appendix D). In building the case for prompt oversight, the federal Inspectors General (IGs) made their strongest statement with the commitment of 431 full-time OIG personnel to Gulf Coast recovery by November 30, 2005. The scope of the unfinished work is daunting—in only the first 90 days, there have been more presidential emergency declarations issued than for any event in FEMA history.

Preparedness for Oversight

The federal IG community was a natural fit for oversight and stewardship of the largest disaster recovery funding effort in U.S. history. With the many cross-cutting bureaucracies involved, the federal IGs offered the capacity needed for consistent reporting and the preventive interaction to execute the billions in recovery dollars.

Prior to Hurricane Katrina, the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) had established a homeland security roundtable, based on their collective experience after the 9/11 attacks. The roundtable is the focal point around which hurricane recovery oversight will revolve.

Emergency Appropriations and Stewardship

Emergency appropriations totaling \$62.3 billion have been made available for the recovery effort, apportioned as follows:

- FEMA received \$60 billion for the Disaster Relief Fund; and
- The Department of Defense (DoD) received \$2.3 billion, of which \$400 million went to the Army Corps of Engineers (USACE).

Of the \$60 billion added to the Disaster Relief Fund, the following has been allocated, obligated and expended, as of November 30, 2005:

- \$26 billion has been allocated for estimated short-term needs
- \$23 billion has been obligated as a result of contracts signed, grants awarded, and FEMA mission assignments issued to other agencies
- \$8 billion has been expended on a variety of response programs (See Appendix F).

By mid-September 2005, recognizing the need to protect taxpayers' dollars and prevent problems, the Office of Management and Budget mandated that the federal agencies involved in the disaster response and recovery efforts develop a stewardship plan. The plan sets the framework or ground work for mitigating risks

associated with crisis procurement, managing the broad scope of oversight work, and overseeing contracts awarded following Hurricane Katrina.

On the heels of the Office of Management and Budget/Department of Homeland Security plan, the OIGs involved in oversight of disaster relief efforts developed a hurricane oversight audit model. The model designated which OIGs would focus on what recovery activities and during which phase of the recovery (See Appendix I). By December 2005, the federal IGs published the first Compendium of Hurricane Oversight Plans for single- and multiple-agency management reviews, audits, and investigations (See Appendix A). To date, the OIGs have completed 11 reviews, initiated more than 70, and plan at least 50 more within the next six months.

Investigative Activities

On September 8, 2005, the U.S. Attorney General established the Hurricane Katrina Fraud Task Force to deter, investigate, and prosecute disaster-related federal crimes. The task force is led by the Department of Justice, Criminal Division, and is based in Louisiana. The task force includes federal, state, and local law enforcement agencies.

In October 2005, the PCIE/ECIE developed an investigation coordination model to address how case referrals, and investigations would be coordinated and managed by the litany of law enforcement agencies involved in the prevention and detection of fraud in disaster assistance programs (See Appendix J). Also, the Hurricane Recovery Fraud Hotline was created on October 4, 2005, to support all federal agencies involved in the recovery. The Department of Defense Office of Inspector General serves as the operator of the Hotline on behalf of all OIGs. The Hotline, which has reported 5,468 contacts as of November 30, 2005, functions as a channel for tracking incoming complaints and allegations of wrongdoing. As of December 2, 2005, the PCIE/ECIE has reported a total of 230 investigative cases opened and thus far work on these has resulted in 36 arrests made with 44 indictments and three convictions.

Vision for Future Recovery Oversight

In the first 90 days, more than 4,700 contracts were awarded, valued at more than \$8.1 billion, mostly for response and the initial stages of recovery. Usually, disaster response periods last about 72 hours. In this case, the initial response to help the millions affected by the hurricanes lasted approximately three months. As the emergency response phase diminishes, individual and household assistance will grow dramatically over the next 90-day period. Likewise, public assistance grants will increase dramatically over the next several months as the arduous task of rebuilding the Gulf Coast's infrastructure begins in earnest. With both individual assistance and public assistance grants on the increase, oversight activities will increase proportionately.

Section II. Highlights of Oversight Activities



Baker, LA, September 29, 2005 — Plumbers prepare piping and connectors for use in the construction of a sewage treatment system which will process 47,500 gallons daily to serve a 550 unit temporary housing site being built here. FEMA is building several of these parks to help house people left homeless by Hurricane Katrina. (Win Henderson/FEMA)

HIGHLIGHTS OF OVERSIGHT ACTIVITIES

Just two weeks after Hurricane Katrina subsided, the Office of Management and Budget (OMB) and the Department of Homeland Security (DHS) started tracking key vulnerability areas for the federal Inspectors General (IGs), as a means to stem any hemorrhaging of funds, stop any uncontrolled spending, and establish a strong anti-fraud message for companies who were awarded contracts in the first several weeks.

The federal IGs issued their consolidated oversight plan in the Compendium of OIG Hurricane Oversight in the Gulf States to Congress on December 12, 2005. This plan (see Appendix A) included a matrix of planned oversight activity on a multi-agency and single-agency basis. The plan is designed to ensure accountability, prevent duplication, and focus heavily on prevention, which includes reviewing internal controls, monitoring, and advising department officials on precedent-setting decisions and procurement vehicles and methods before they are finalized.

Oversight personnel are meeting with applicants, contractors, and grantees to advise them of their fiduciary responsibilities and assess their capability to account for the funds. The plans also encompass an aggressive and ongoing audit and investigative effort designed to ensure that disaster relief funds are being spent wisely and to identify fraud, waste, and abuse as early as possible.

Post-Disaster Stewardship Plan

This initiative undertaken in mid-September 2005 by the OMB and DHS was designed to mitigate risk associated with procurement during crisis, manage the broad scope of oversight work, and set the requirements and tasks needed to oversee those contracts awarded immediately following Hurricane Katrina.

At that time, OMB recognized it needed to set priorities. "Hurricane Katrina created significant risks that money would not be spent on real needs, we may not be able to get the best value for what we purchase, and we may not get all that we pay for," said Clay Johnson, OMB Deputy Director for Management.

"Hence, the Office of Management and Budget has required the Department of Homeland Security to identify the sources of risk, and the extra resources and preventions that should be deployed to reduce the risks to acceptable levels. A senior DHS management oversight committee meets regularly and frequently, with the Inspector General, to review whether the extra resources and preventions are being deployed as planned, and whether they are having the desired effect," he said.

The current elements of the OMB/DHS Katrina contract management, oversight, and risk mitigation plan include these three sections:

- Managing DHS acquisitions for Katrina related operations
- DHS high risk acquisitions
- Oversight of transactions immediately following Katrina (through September 30, 2005).

The following are significant activities undertaken by the federal IGs and their agencies pursuing the response and eventual recovery of America's Gulf Coast.

Contract Actions

In the immediate aftermath of Katrina, government agencies expedited contracting methods, as authorized under the Federal Acquisition Regulations. Timely, definitive action in response to this disaster was taken by a number of federal government agencies, in the midst of criticism from lawmakers and local officials. In many cases, otherwise routine contract actions were legally bypassed in order to commit contractors to begin work immediately. As a result, some contracts may lack clear and definitive work statements, independent cost estimates, and various levels of competition, relying in many cases on an environment of good faith between agencies and contractors. The job of the IGs involved in hurricane oversight, then, becomes as an arbiter in contract review and management and a real-time deterrent in their field offices along the Gulf Coast against those contractors who might have improperly discharged their contracts during the crisis. Contract actions, over time, are expected to include more and more measures of full and open competition.

There were many contingency contracts already in place, activated for significant initial relief requirements, as well as many contracts adhering to otherwise routine procurement parameters, limiting the higher risk associated with the aforementioned good faith agreements. Many of the contract actions have long-term value. The total number of contracts awarded as of November 30, 2005, is more than 4,700, with a total dollar value of approximately \$8.1 billion. Collectively, 11 OIGs reported 164 contract reviews in process and 47 reviews completed and have concentrated on large dollar value procurements.

Coordination

Working closely with the Government Accountability Office (GAO), the President's Council on Integrity and Efficiency/Executive Council on Integrity and Efficiency (PCIE/ECIE) are committed to clearing conflicts among local, state, and federal agencies, reducing redundancy in oversight work. This partnership is designed to instill accountability and consistency in contract oversight; improve program administration; and combat fraud, waste, and abuse. The PCIE/ECIE's objectives are to ensure that:

- The FAR is being adhered to,
- Effective contracting practices are being used with procurements, and
- Expenditures are necessary and reasonable.

Auditors are currently reviewing the award and administration of major contracts, especially those awarded in the first two weeks' aftermath. Particular emphasis is being placed on cost-reimbursement, time and materials, no-bid, and limited competition contracts, all higher risk categories and targets for possible waste, fraud, or abuse. Auditors have developed a methodology to evaluate the risks presented by large dollar contracts awarded without competition or definitive requirements, and to identify contracts that require more detailed review or investigation. Through these reviews, government agencies can save federal funds by amending or ending questionable contracts. One of the simplest audits, the cost-incurred audit, is used to identify questionable costs, but is designed to provide a fast review of large numbers of contracts and serve as a "lead generator" for further audit or examination.

The scope of this disaster presents special challenges for federal IGs to ensure that taxpayers' interests are fully protected. Representative agencies are coordinating their own IG community's efforts. Many have created and deployed internal hurricane relief task forces involving management and their Office of the Inspector General (OIG).

Collaborative Forensic Audit of DHS Purchase Card Program

An example of non-traditional coordination and collaboration is the DHS Office of Inspector General (OIG) and the GAO joint forensic audit of DHS's purchase card program. This purchase card can be used for both micro-purchases and payment of other purchases. To meet immediate needs arising from the consequences of Hurricane Katrina, Congress raised the micro-purchase threshold from \$2,500 to \$250,000 for purchases directly related to the relief and recovery efforts. The scope of this effort will cover more than 400,000 transactions valued at about \$191 million, which includes purchase card transactions of \$41 million for Hurricane Katrina related activities.

In the weeks following Katrina, purchase cards gained notoriety for weak controls that could result in improper and wasteful purchases, as well as missing or stolen assets. The IG community has been aggressive in institutionalizing adequate controls for purchase cards to help eliminate these problems, and is particularly sensitive to monitoring purchase card dollars spent in hurricane relief initiatives.

Table 2-1 provides a breakdown of purchase card transactions by agency:

Purchase Card Transactions		
Agency	Dollar Value	% Reviewed
DHS	\$22,686,643	19%
DoC	\$252,507	0%
DoD	\$3,000,000	3%
DoE	–	0%
DoI	\$1,562,152	0%
DoJ	\$8,363,959	0%
DoL	\$540,000	0%
DoT	\$409,681	0%
EPA	\$1,504,395	30%
GSA	\$106,591	0%
HHS	\$1,874,028	0%
HUD	–	0%
NASA	\$131,971	99%
SBA	–	0%
SSA	\$223,020	0%
TIGTA	\$36,325	0%
USDA	–	0%
USPS	\$313,000	0%
VA	–	0%
Total	\$41,004,272	

Table 2-1

Source: PCIE Biweekly Interagency Homeland Security Roundtable Report on Hurricane Katrina Oversight of December 2, 2005

Several important examples of efforts to monitor the use of these funds are as follows:

- The DHS OIG and the GAO are jointly conducting a forensic audit of DHS's purchase card program. The scope of this effort will include purchase card transactions of \$23 million for Hurricane Katrina related activities.
- The Department of Defense Inspector General (DoDIG) initiated an audit of purchase card transactions made in response to hurricane relief. The focus of the audit is on purchase card transactions over \$2,500. Each service branch is conducting an audit of its own program.
- Department of Transportation (DoT) components purchased approximately \$410,000 in hurricane relief related goods and services through purchase card transactions. The DoT is reviewing its purchase cards transactions for hurricane-related expenditures. Although the limits for federal purchase card spending were temporarily raised for this disaster, DoT did not revise its policies in this regard.
- Department of Justice (DoJ) components purchased approximately \$8.4 million worth of goods and services through purchase card transactions. Of that amount, the Federal Bureau of Prisons accounted for expenditures totaling approximately \$4.7 million, which appear to be related to relocating and housing prisoners. The DoJ plans to audit its card transactions to determine whether: (1) DOJ components minimized the misuse of purchase cards for hurricane-related expenditures by utilizing effective and appropriate internal controls, (2) purchase card transactions were authorized and allowable, and (3) purchased goods and services were received.
- Environmental Protection Agency (EPA) components purchased approximately \$1.5 million in hurricane relief related goods and services through purchase card transactions. EPA is sampling 30 percent of its transaction documents to verify approval, receipt, and entry into an EPA equipment management system. In addition, EPA auditors are concentrating on expensive pilferable items, such as digital cameras, cell phones, and personal digital assistants.

PCIE/ECIE Homeland Security Roundtable Individual Assistance/Housing Subgroup

The PCIE/ECIE Homeland Security Roundtable has taken steps to prevent and uncover mismanagement and fraud related to assistance for individuals and households by setting up an Individual Assistance/Housing subgroup. The subgroup, chaired by the DHS OIG, was established on November 28, 2005, to facilitate coordination among federal IGs. Given that more than 2.5 million applications have been completed for individual disaster assistance and the large number of federal agencies involved with providing assistance, it is critical that oversight efforts are coordinated. To help facilitate this, the subgroup has engaged the GAO and various federal IGs to exchange information on a periodic basis and to establish partnerships, where practical, to address cross-agency issues. For example, through the PCIE/ECIE subgroup on individual assistance and housing, DHS OIG is working in close partnership with Housing and Urban Development OIG and Small Business Administration OIG in on-going efforts to identify potential duplication of benefits issues associated with rental assistance, travel trailers/mobile homes, sheltering, hotel/motel evacuees, and apartment leases.

Monitoring and Technical Advice

Initial Strategic Initiatives

The PCIE/ECIE Homeland Security Roundtable took immediate action after the storm, forming two strategic building blocks, Framework and Planning, as well as Outreach and Reporting. These two cornerstones, featuring eight initiatives, are described as follows:

Framework and Planning

- The IGs from the agencies with the majority of funds allocated to mission-relief efforts were mobilized to create the framework of oversight. These included the DHS, DoD, DoJ, DoT, EPA, Health and Human Services (HHS), General Services Administration (GSA), U.S. Department of Agriculture (USDA), U.S. Postal Service (USPS), Housing and Urban Development (HUD), Department of Commerce (DoC), and Department of the Interior (DoI). Others later joined, bringing the total number as of November 30, 2005, to 21 agencies.
- The DHS OIG established the Office for Gulf Coast Hurricane Recovery. This office is dedicated to preventing problems through a proactive program of assessing controls; advising management on issues, policies, and approaches as they arise; and conducting contract and grant audits to ensure disaster assistance funds are being spent wisely. OIG personnel (inspectors, auditors, and investigators) have been deployed to the Joint Field Offices in the five states affected by the storms and are working throughout the coastal region. The visible OIG presence throughout the response and recovery zone is designed to reduce fraud, waste, and abuse at the local level.
- The DoJ created the Hurricane Katrina Fraud Task Force. The PCIE/ECIE interagency group joined this DoJ task force to investigate and prosecute fraud and public corruption cases directly related to hurricane response and recovery efforts. Aside from prevention, the initial emphasis has been on prompt law enforcement responses to charity fraud, identity theft, insurance fraud, and procurement and government-benefit fraud. Since the task force was established, U.S. Attorneys' Offices and a variety of investigative agencies — including the FBI, the Postal Inspection Service, the Secret Service, and the federal IGs — have pursued a significant number of prosecutions stemming from Hurricanes Katrina and Rita that spanned federal districts from Oregon to Florida.
- The OIGs have established a Hurricane Katrina Contract Audit Task Force to coordinate IG efforts. Contract audit experts have developed a methodology to evaluate the risks presented by large dollar contracts awarded without competition or definitive requirements, and consequently identify contracts that will require more detailed review or investigation.
- The PCIE/ECIE subgroup for Individual Assistance/Housing was established to ensure efficient and effective use of relief resources allocated those individuals and households receiving various federal benefits. It monitors the implementation of individual assistance initiatives and, where appropriate, provides technical advice.
- A common work plan was developed for the IGs to use in relief oversight (see Appendix A).

Outreach and Reporting

- As of November 30, 2005, 431 full-time oversight personnel have been committed to hurricane oversight. This includes auditors, investigators, inspectors, managers and administrative personnel dedicated to Katrina oversight operations.
- The Hurricane Relief Fraud Hotline was established. Notably, this Hotline had attracted 5,468 calls as of November 30, 2005. Concerned individuals may notify the government of fraud, waste, abuse, or allegations of mismanagement by calling, faxing, e-mailing, or writing as indicated on the back cover of this report.
- The PCIE/ECIE *Biweekly Interagency Homeland Security Roundtable Report* on Hurricane Katrina oversight began publication on October 28, 2005, to update administration officials and the Congress. Effective January 2006, this report will be published on a monthly basis.

Significant Oversight Highlights

In addition to its own activities related to hurricane relief efforts in the Gulf Coast region, Federal Emergency Management Agency (FEMA) tasked other federal departments and agencies to assist in response efforts through mission assignments. Departments use funds provided by FEMA to award contracts or provide direct support for response efforts. In addition, some departments and agencies received direct appropriations for hurricane relief activities. As of November 30, 2005, contracts valued at \$8.1 billion, have been awarded. These federal IGs will be responsible for review and oversight responsibilities related to these contract actions.

The Department of Defense

DoD and DHS contract actions include many with high visibility, such as debris removal, levee and floodwall repairs, and emergency water supplies. Combined efforts amount to nearly \$7 billion in contract obligations for these two departments, creating the lion's share of funding allocations. DoD has awarded more than \$3.1 billion in contracts, and 386 contracts to date. The following sections provide brief synopses on the larger DoD contracts that have attracted public attention.

Debris Removal Contracts

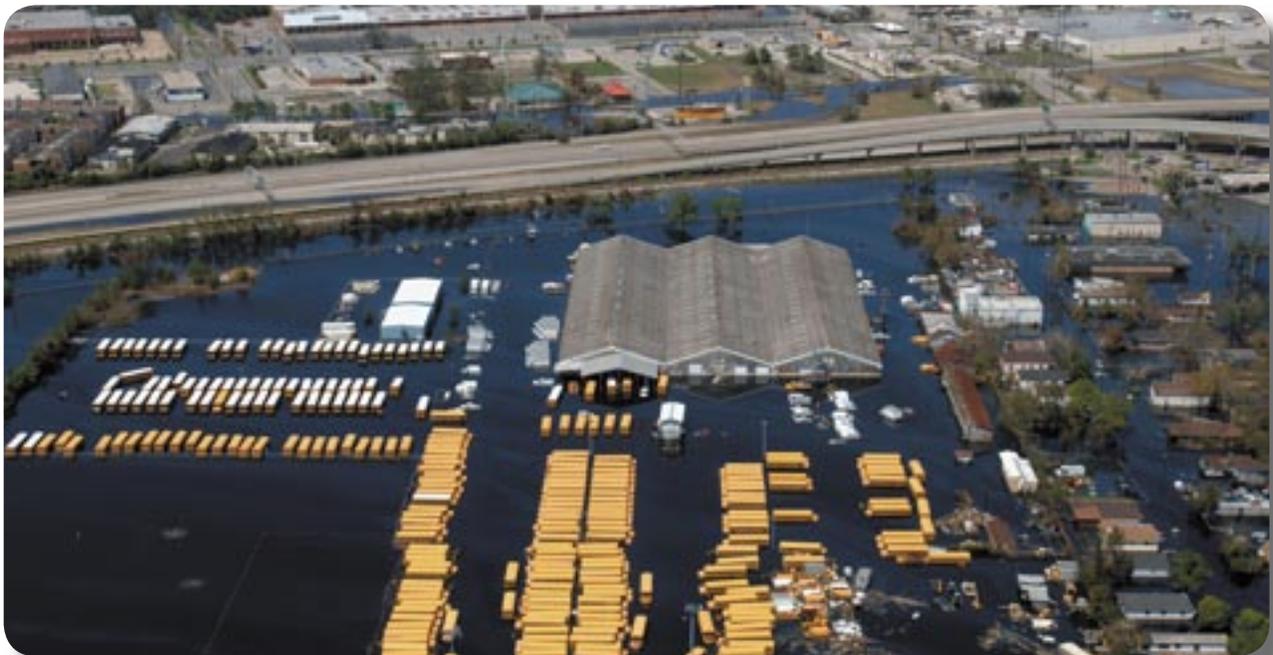
The U.S. Army Corps of Engineers (USACE) was allocated about \$2.2 billion for debris removal in Louisiana and Mississippi. Audit work is under way and auditors are onsite observing debris removal operations. The U.S. Army Audit Agency (USAAA) is addressing problems as they are detected and communicating those with the audit client to achieve timely corrective action. Audit field work is expected to be completed in March 2006 and a draft audit report issued in April 2006. The Corps' debris-removal operations are governed primarily through five contracts. A \$30 million contingency contract was pre-existing, awarded in 2002. Four additional contracts were awarded following the hurricane, each of which is valued at \$500 million with an option for an additional \$500 million. These four contracts were awarded from a single solicitation that had 17 qualified bidders. As of November 30, 2005, about \$915 million has been obligated through various task orders.

Levee and Floodwall Repairs

The Army Audit Agency is evaluating U.S. Army Corps of Engineers contracts for repairs to levees and flood control walls in New Orleans. The USACE was allocated \$310 million for repairs to levees and flood control walls in New Orleans. These repairs are scheduled for completion by June 1 2006, before the next hurricane season. The Corps awarded 31 contracts for this extensive and highly visible operation. As of November 30, 2005, approximately \$179 million has been obligated. The USAAA is evaluating six of the 31 contracts with obligations of close to \$102 million and four pending contracts with an estimated cost of approximately \$73.5 million. USAAA auditors are observing price negotiations and source selection board decisions as well as observing levee and floodwall repairs. Audit field work is expected to be completed in March 2006 and a draft audit report issued in April 2006.

Emergency Water Contract

The DoD OIG is conducting a review of the U.S. Army Corps of Engineers' selection of the Lipsey Mountain Spring Water Company as the sole source contractor of emergency water supplies. Emergency water supplies were sole-sourced for expediency during initial relief operations, according to the USACE. The DoD OIG is conducting a review of the USACE's selection of the Lipsey Mountain Spring Water Company as the sole source contractor. The contract was awarded on September 4, 2005. As of November 30, 2005, more than \$74.5 million has been obligated. The DoD OIG is in the preliminary stages of its review. Additional details regarding the scope and the results of the review will be provided in future reporting.



New Orleans, LA, September 7, 2005 — Neighborhoods throughout the area remain flooded as a result of Hurricane Katrina. A parking lot of school buses are also underwater. (Jocelyn Augustino/FEMA)

Ice Delivery Contract

The DoD OIG is currently conducting an audit of the USACE contract with International American Products, Worldwide for delivery of emergency ice. USACE contracted for emergency ice delivery with International American Products, Worldwide. Congress has requested an audit of this initiative. The DoD OIG audit staff is conducting audit work on-site at USACE offices in Galveston, Texas, and Charleston, South Carolina. Additional details will be provided in future reporting.

Temporary Roofing

The USACE contracted for temporary roofing for hurricane victims. Congress has requested an audit of this initiative. The DoD OIG is conducting the audit, and is currently reviewing the award and administration of six related contracts for temporary roofing. Auditors have made one on-site visit to the contracting office in St. Louis, Missouri; additional visits are planned for January 2006. Further details will be provided in future reporting.

Charter Cruise Ship Contracts

The Naval Audit Service is currently reviewing the award and administration of all four contracts. The contract performance period was set to accommodate dislocated victims with catastrophic loss. The Military Sealift Command awarded four contracts for commercial chartered cruise ships. Carnival Cruise Lines was awarded three of the four, valued at \$236 million; Scotia Prince Cruise Line was awarded one, valued at \$13 million. The purpose of these contracts was to provide temporary housing, food, and basic medical care for victims of Hurricanes Katrina and Rita.

The Department of Homeland Security

A Special Inspector General (SIG) for Gulf Coast Hurricane Recovery will manage the overall effort on a full time basis for the Department. The Special IG will be supported by a core group of DHS auditors, investigators, and inspectors with FEMA experience who are well positioned and prepared to provide immediate and continuing oversight of contracts, grants, and operations related to hurricane relief efforts.

Auditors monitored operations at the FEMA Emergency Operations Center (EOC) and will stay current on all disaster relief operations and provide on-the-spot advice. The objective in this effort is to help DHS officials appropriately consider internal controls and the potential ramifications of their precedent setting decisions as emergency response and recovery activities continue. Specific oversight activities will include:

- Providing oversight of Joint Field Offices (JFOs) operations
- Continuously monitoring financial transactions and related internal controls
- Auditing of public assistance projects
- Reviewing supporting documentation for mission assignments
- Conducting a performance review of FEMA's disaster management activities in response to Hurricane Katrina
- Reviewing property management
- Reviewing the Temporary Housing Program and the Individuals and Households Program.

DHS/FEMA Individuals and Households Program

DHS OIG is working with FEMA and DHS policy and program officials to prevent fraud, waste and abuse and to ensure efficient and effective use of relief resources allocated to DHS/FEMA's Individuals and Households Program. DHS OIG monitored the implementation of individual assistance initiatives and, where appropriate, provided technical advice. This included:

- A risk analysis of providing assistance to eligible applicants through the use of satellite images and geospatial mapping data
- Identification of potential data reliability and accuracy issues associated with automated proof of ownership and occupancy verification
- Verification that procedures have been put into place to reasonably mitigate potential risks associated with "no contact" inspections
- Analysis of applicant data to identify unusual trends or anomalies
- Referral of about 300 suspicious individual assistance awards, totaling over \$513,000, to investigators for closer review
- Issuance of an expedited assistance overpayment advisory report.

Katrina Contract Audit Task Force

The Katrina Contract Audit Task Force is a joint effort between audit agencies to improve audit coverage of the Katrina procurements and included OIG offices within the DHS, DoC, DoD, DoT, EPA, GSA, HHS, HUD, Department of Education (DoE), and National Aeronautics and Space Administration (NASA), as well as the GAO, Naval Audit Service, and the Defense Contract Audit Agency (DCAA).

To date, the Katrina Contract Audit Task Force has developed a comprehensive risk assessment of hurricane recovery oversight. Their audits will focus, but not exclusively, on the following types of contracts:

- Cost reimbursement/time and materials contracts
- Sole source contracts
- High-dollar value contracts in excess of \$1 million
- Sample of low-dollar value contracts that receive less management attention and oversight.

These coordinated audits will focus special attention on the following identified risk areas:

- Extent and effectiveness of competition
- Price reasonableness
- Preference for local firms (pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121, et seq.)
- Inappropriate use of cost reimbursement type contracts
- Contractor responsibility

-
- Inappropriate use of unpriced orders and letter contracts
 - Definitive contract specifications and statements of work
 - Effectiveness of inspection, acceptance and payment processes
 - Effective internal controls
 - Ability to award urgent contracts without undue delay.

The task force is currently developing audit plans for the various types of procurements with an emphasis on information sharing between agencies. In addition, the task force plans to share lessons learned in procurement problems and audit activities that are most effective in identifying problems.

The Department of Health and Human Services

HHS awarded 113 contracts totaling about \$54.4 million through the initial relief period. These contracts were designed for human life preservation by HHS. The HHS OIG is reviewing the following contracts.

Patient Evacuee Transportation

By the second week of October 2005, HHS entered into a \$21 million contract to return evacuees from Texas, Louisiana, and Mississippi who required en route medical care. The contract provided for travel for individuals who were in hospitals, nursing homes, special needs shelters, and other healthcare facilities before evacuation and those who were hospitalized after evacuation.

Emergency Vaccine and Pharmaceutical Orders

Through 11 contracts totaling \$9.6 million, the Centers for Disease Control and Prevention made emergency purchases of vaccines and pharmaceuticals for use in the hurricane areas.

Mental Health Services for Hurricane Victims and Responders

Through two contract actions totaling \$6 million, Substance Abuse and Mental Health Services Administration is providing mental health and substance abuse services to persons impacted by the hurricane. These services are for responders as well as victims.

Emergency Travel Support

Through a contract action totaling \$1.25 million, the Office of Public Health Emergency Preparedness obtained emergency deployment and destination management services. The vendor is responsible for finding lodging, arranging travel, and providing incidental procurement services for those deployed by the Office of Public Health Emergency Preparedness.

Pharmaceutical and Medical Supplies for Hurricane

Through a contract action totaling \$1.5 million, the Office of Public Health Emergency Preparedness purchased pharmaceuticals and medical supplies to backfill the Strategic National Stockpile's inventory.

Services, Supplies and Equipment for a Federal Medical Shelter

Through a contract action totaling \$1.4 million, the Office of Public Health Emergency Preparedness

obtained facilities support including transportation, information technology, telecommunications, resident support, laundry, housekeeping, and clinical services.

Disaster Medical Facilities

Through a contract action totaling \$1.1 million, the Office of Public Health Emergency Preparedness purchased three portable disaster medical facilities.

The Department of Housing and Urban Development

The HUD OIG has established a new Gulf Coast Regional office, transferring and recruiting audit and investigative staff to the area. Also the OIG has:

- Established OIG HQ Offices of Hurricane Fraud Oversight in both its audit and investigations offices
- Established Katrina Desk Officer liaison with HUD program officers in the Housing Education and Research Center
- Established coordination with HUD Offices' Deputy Assistant Secretary through IG Coordinator
- Chairs the PCIE/ECIE Homeland Security Roundtable investigative task force for Hurricane Katrina
- Participated in PCIE/ECIE Homeland Security Roundtable task forces for disaster relief contracts and temporary housing.

The Department of Housing and Urban Development (HUD) has awarded 17 contracts, with a total dollar value of \$10.6 million, as of November 30, 2005. Early HUD funding was minimal and primarily involved modifications to 17 existing contracts, significant with respect to minimizing exposure to fraud, waste, and abuse possibilities.

Real Estate Owned Properties

HUD took 6,500-plus Real Estate Owned properties off-line for FEMA evacuees. Many of these properties required rehabilitation, costing up to \$10,000 each for to prepare them for habitation. HUD has leased approximately 450 properties to evacuees as of November 30, 2005.

Vouchers

Katrina Disaster Housing Assistance Program received \$78 million from FEMA for the first three-month period. HUD has brought 12,200-plus vouchers on-line.

Temporary Housing

Public Housing Authorities provided temporary housing to more than 16,000 evacuee families. To date, duration has not yet been stipulated for the temporary housing.

The Department of Transportation

Air and Land Transportation

The DoT had awarded about \$417 million in contracts in response to Hurricane Katrina as of November 30, 2005. About 70 percent these funds are devoted to a contract with Landstar Express America, Incorporated,

which made air and land transportation and associated services available to DoT to facilitate response to Hurricane Katrina. DoT OIG is currently performing an assessment of internal controls used with this contract. Most of DoT expenditures will be transportation infrastructure reconstruction grants to the affected Gulf States. Current estimates for these grants total about \$2 billion.

The Department of Commerce

National Oceanic and Atmospheric Administration (NOAA)

DoC OIG is monitoring contracts that NOAA awarded, totaling \$6.4 million in contracts, with details, as follows: 57 contracts or procurements of more than \$10,000; 19 contracts of more than \$100,000; and two contracts of more than \$500,000. The contracts used pre-existing agreements wherever possible, and NOAA tried to ensure that small, local businesses in the hurricane-stricken areas received contracts. Most contracts or procurements were fixed price. There were only two time and material contracts. There were no verbal contracts, no unlimited ceiling cost contracts, nor any no-bid contracts to large firms.

National Institute of Standards and Technology (NIST)

NIST awarded one time and materials contract for \$300,000 to assess damage to structures and make recommendations for additional studies of structural damage.

The Department of Interior

The DoI Office of Inspector General has initiated an audit effort focused on ensuring the department is making the best use of funds and confirming the appropriateness of current and future contracts. The initial focus on monitoring Katrina related expenditures has been expanded to evaluate financial management control procedures in response to emergencies.

The Department of Labor (DoL)

The Department of Labor initiated six contracts in support of hurricane relief, with a total value of more than \$2.7 million, as of November 30, 2005. Two of the contracts are each more than \$500,000, and are dedicated to the environmental clean up of the Gulfport Job Corps Center. The other four contracts are for dollar amounts less than \$500,000, and are for the management and support of the Worker Safety and Health Support Annex, which was a FEMA mission assignment. All six contracts are currently under review by DoL OIG.

The Environmental Protection Agency

The EPA awarded 102 contracts in support of hurricane relief, with a total value of nearly \$123 million, as of November 30, 2005. EPA has primarily focused on using its existing Superfund Technical Assessment and Response Team/Emergency and Rapid Response Services contracts. These contractors are providing labor and equipment to support EPA's relief and recovery efforts. These contracts provide for 24-hour, seven-day-a-week, year-round response capability for natural disasters as well as nuclear, biological, chemical, and radiological events. Specifically, these contractors are providing services for sampling; field detection/monitoring; Quality Assurance/Quality Control support; data management; technical advice; and assistance with coordination and communication between federal, state, and local responding agencies and the public. The EPA OIG review is primarily focused on examining contractor invoices submitted under these contracts.

The Federal Deposit Insurance Corporation (FDIC)

In the aftermath of Hurricane Katrina, both financial institutions and customers are potentially vulnerable to a wide variety of fraud schemes, ranging from identity theft to fraudulent loan activity. As a member of the DoJ's Hurricane Katrina Anti-Fraud Task Force, the FDIC OIG established a page on its website to provide information on the hotline and guidance for possible victims. Any FDIC-regulated financial institution that believes it has been the victim of fraud, or any individuals who believe they are the victims of bank-related consumer fraud, may contact the OIG for assistance through its Hotline. The DoJ anticipates bank fraud to be a long-term significant problem in this area.

The General Services Administration

The GSA has awarded approximately 1,400 contracts with an aggregate value of more than \$500 million. These contracts included meals, goods, and services in support of temporary housing and ambulance services. Currently, the GSA OIG has a programmatic audit under way to assess GSA's contract management support for Hurricane Katrina relief operations.

The National Aeronautics and Space Administration

The National Aeronautics and Space Administration reported that it has awarded 79 contracts, with a value of nearly \$64 million. The NASA OIG is reviewing internal controls to manage Hurricane Katrina recovery efforts. Specifically, NASA OIG is evaluating NASA's estimation and execution of Hurricane Katrina funds and the processes used to ensure that those funds are used for their intended purposes.

The Veterans Administration (VA)

The VA OIG is conducting an audit of response and recovery efforts related to the Gulf Coast Hurricanes Katrina and Rita. The purpose of the audit is to assess: (1) management controls over contract and procurement activities; (2) controls to reestablish healthcare and benefit delivery to veterans; and (3) quality of care issues resulting from the evacuation. The VA has asked for \$1.38 billion for VA recovery and rebuilding in its request to Congress for supplemental appropriations. The request includes \$1.15 billion to rebuild the New Orleans Medical Center and to repair and add a bed tower to the medical center in Biloxi following the destruction of the Gulfport complex. It also includes \$25 million to furnish and activate a replacement Veterans Benefits Administration regional office in New Orleans and to pay contracting costs for benefit-related health examinations. Hurricane Katrina produced significant damage to VA facilities along the Mississippi Gulf Coast and New Orleans.

Highlights of Grants Management

FEMA distributed nearly \$4.4 billion in federal aid to more than 1.4 million households. A record-setting 44 states and the District of Columbia were issued emergency declarations to cover expenses related to sheltering millions of evacuees forced from their homes by Katrina and Rita.

DHS OIG auditors are monitoring FEMA's approval of the various Public Assistance Projects. Reviews start early in each project execution, and will remain ongoing to identify questionable activities early, prevent misspending, and ensure compliance with federal laws and FEMA regulations. The federal IG community is working closely in partnership with state and local audit organizations to oversee grant operations.

This includes applicant briefings, pre-award audit surveys, and review of grant applications prior to their approval. In this regard, the DHS OIG is working closely with the state auditors in all the affected states to ensure that local government grant recipients are equipped to account for federal dollars. In Louisiana alone, for example, more than 30 state auditors have been assigned Katrina oversight responsibilities.

OIG's from various departments and agencies are monitoring and assessing grant activity. Their work is summarized in the following paragraphs.

National Emergency Grants

Under the Workforce Investment Act, the DoL issued National Emergency Grants to create temporary work for dislocated workers and help recovery efforts. A total of \$191.1 million have already been awarded by DoL to create more than 57,850 temporary jobs in the region, including:

- \$4 million for Alabama awarded on August 31, 2005
- \$50 million for Mississippi awarded on September 2, 2005
- \$62.1 million for Louisiana awarded on Sept. 3, 2005
- \$75 million for Texas on Sept. 6, 2005 to serve Louisiana evacuees.



New Orleans, LA, August 28, 2005 — Residents are bringing their belongings and lining up to get into the Superdome which has been opened as a hurricane shelter in advance of hurricane Katrina. Most residents have evacuated the city and those left behind do not have transportation or have special needs. (Marty Bahamonde/FEMA)

The National Emergency Grants awarded in the immediate hurricane relief efforts were considered discretionary. As soon as one of these grants is approved, funds are transferred to the state.

These grants were considered immediately needed because the hurricane devastation created a sudden need for assistance that could not reasonably be expected to be accommodated within the means of the state and local entities.

Emergency Housing for Evacuees

FEMA implemented emergency temporary housing for the thousands of evacuees who lost their homes to the hurricanes. FEMA had extended the Hotel Program deadline through December 15, 2005, and extended it a second time up through at least January 7, 2006. Registration for this program will remain open for the near-term to ensure those needing assistance has the opportunity to apply.

States are committed to helping evacuees with temporary housing, as well as helping them find longer-term housing. More than 92 percent of the approximately 50,000 families still living in hotel rooms are located in ten states:

Alabama, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Nevada, Tennessee, and Texas. Upon application by each governor, FEMA will extend the deadline to January 7, 2006, predicated on a state plan to meet the deadline.

Department of Health and Human Services Emergency Grants

Notably, HHS is the largest grant-making agency in the federal government. It has committed more than \$181 million as of November 30, 2005, to the hurricane relief effort through a variety of assistance programs. These are captured briefly as follows:

Family Assistance Grants

Approximately \$64 million for Administration for Children and Families Funds were requested by six states from a contingency fund that is available to all states and the District of Columbia. They were for short-term (September 21, 2005, through August 31, 2006), non-recurring cash benefits provided to hurricane evacuee families not receiving state Temporary Assistance for Needy Families cash benefits.

Approximately \$69 million was made available to Louisiana, Mississippi, and Alabama for any needy purpose, and to supplement Federal-State Family Assistance Grants.

Approximately \$28 million was made available to the Low Income Home Energy Assistance Program, to assist states hit hardest by the hurricanes. Approximately \$20.3 million in emergency contingency funds remains available.

An amount of \$15 million was made available to the Head Start Bureau. Note, these monies came from existing Head Start funds, to assist Head Start grantees in providing services to evacuee children and families.

An amount of \$2.8 million was made available to the Children's Bureau, to aid eight National Resource Centers in providing assistance and support services for children and families.

Approximately \$200,000 was made available to the Child Care Bureau, through two grants: 1) National Association of Child Care Resource and Referral Agencies to provide technical assistance to local child care resource and referral agencies in Mississippi and Louisiana, and 2) South Plains Early Childhood Council to provide assistance to hurricane evacuees in rural Texas.

A total of \$1.7 million was made available to the Administration on Aging programs in Alabama, Louisiana, and Texas, to help reestablish AoA infrastructure.

Approximately \$1.6 million was made available to the Substance Abuse and Mental Health Services Association, to provide emergency response grants for clinical services, to reproduce and ship emergency preparedness booklets to the hurricane disaster areas. The Substance Abuse and Mental Health Services Association deployed ten of its 19 Commission Corps personnel to the affected areas, and supervised 100 healthcare professionals deployed to the disaster areas.

Justice Assistance Grants

The DoJ OIG initiated a limited scope audit to determine if the Bureau of Justice Assistance followed appropriate internal controls and procedures for the Hurricane Katrina relief grants awarded in September 2005. The audit work focused on the criteria and procedures the Bureau of Justice Assistance followed to determine the grant recipients and the amount of each grant. The Bureau awarded 33 Justice Assistance

Grants totaling approximately \$5 million. As of the period of this report, seven of the 33 grantees had used grant funds totaling approximately \$1.6 million. These grants assist state and local criminal justice agencies by providing funding for many items such as additional personnel, equipment, supplies, training, and technical assistance.

Economic Recovery Grants

The DoC's Economic Development Administration awarded four grants totaling \$8.8 million to the states of Louisiana, Mississippi, and Alabama for technical assistance and economic recovery planning. The grants may not be used for construction or infrastructure activities. The Economic Development Administration waived requirements, such as Comprehensive Economic Development Strategies, and matching shares; modified general processing procedures; and designated three states as special impact areas to award the grants.

Public Broadcasting Repairs Grants

The National Telecommunications and Information Administration awarded one grant for \$378,000 to repair transmission equipment of the Louisiana Public Broadcasting system.

Business Development Grants

The DoC's Minority Business Development Agency awarded one grant of \$300,000 to the Houston, Texas, Minority Business Development Center to assist minority businesses in Louisiana and Texas. The agency waived the cost-sharing requirement of the grant.

Section III. Gulf Coast Recovery Funding



New Orleans, LA, Tuesday, August 30, 2005 — Cars parked on the New Orleans streets are flooded to the top of the wheel wells in this ground level photograph. New Orleans was under a mandatory evacuation order as a result of flooding caused by hurricane Katrina. (Marty Bahamonde/FEMA)

GULF COAST RECOVERY FUNDING

The costs of recovery along the Gulf Coast are only beginning to be calculated. These needs are being addressed through emergency appropriations and fund transfers from FY 2005 budgets of government agencies conducting operations in support of the region. Congressional emergency appropriations comprise the largest portion of hurricane funding, as of November 30, 2005. In addition, several agencies involved in the response and recovery effort reported transferring more than \$471 million of their agency budgets to meet hurricane relief needs.

Congress has provided \$62.3 billion to meet the needs of reconstruction in these emergency appropriations bills:

- Public Law 109-61, Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, September 2, 2005
- P.L. 109-63, Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, September 8, 2005.

The Federal Emergency Management Agency (FEMA) received \$60 billion in appropriations; the Department of Defense (DoD) received \$1.9 billion; and within DoD, the Army Corps of Engineers (USACE) received an additional \$400 million. Figure 3-1 below presents U.S. recovery funding in summary, as of November 30, 2005.

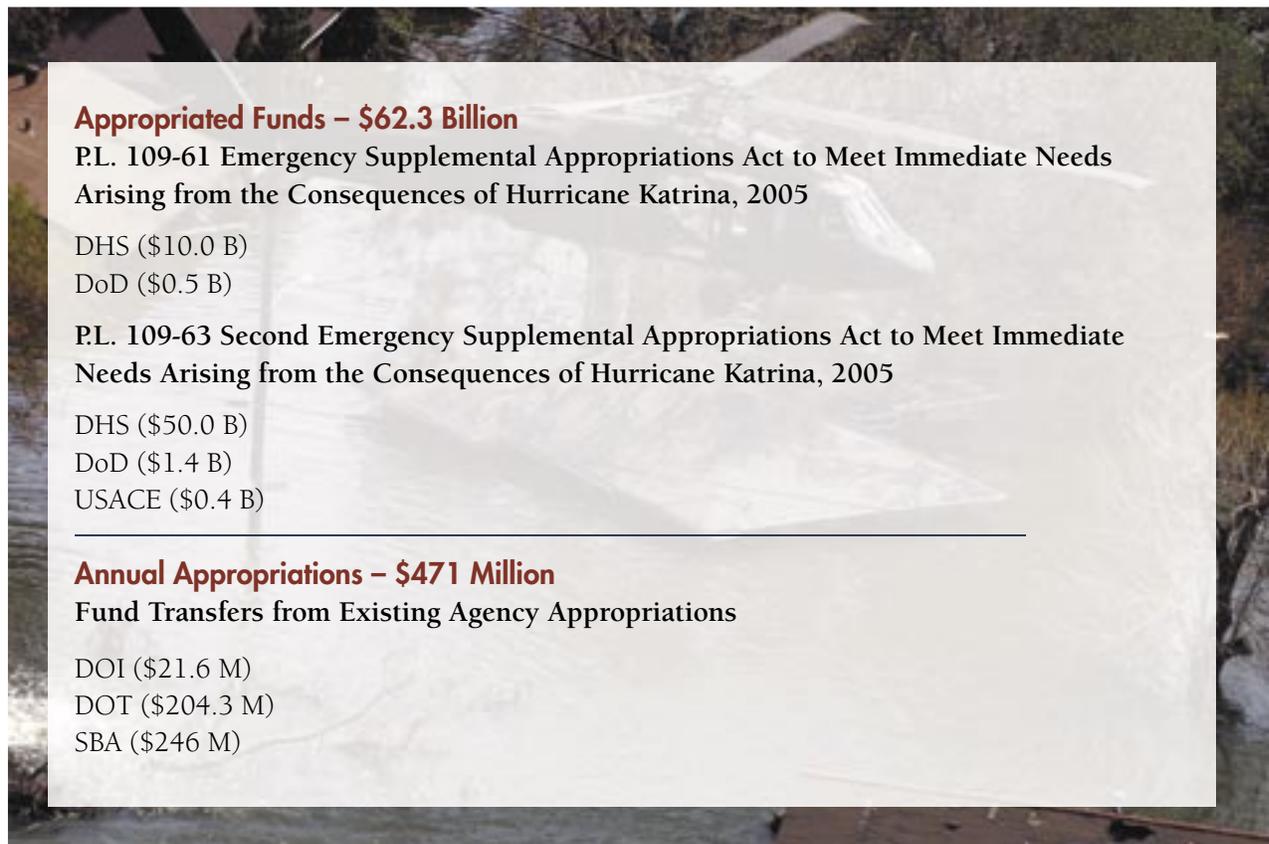


Figure 3-1

Source: PCIE agency submissions as of November 30, 2005

Emergency Supplemental Appropriations

Under P.L. 109-61, Congress appropriated \$10 billion to the Department of Homeland Security (DHS) for disaster relief, with funds available until expended. Congress also provided \$500 million to DoD for “operations and maintenance, defense-wide,” for use until September 30, 2006.

The second emergency appropriation, P.L. 109-63, provides funding distributed across these agencies:

- \$1.4 billion to DoD for “operation and maintenance, defense-wide,” with funds available until September 30, 2006
- \$200 million to USACE for “operation and maintenance for emergency expenses for repair of storm damage to authorized projects in the Gulf states,” with funds available until expended
- \$200 million to USACE for “flood control and coastal emergencies” with funds available until expended
- \$50 billion to DHS for “disaster relief” with funds available until expended, \$15 million of which is designated for DHS Office of Inspector General (OIG).

P.L. 109-63 also mandates that these agencies allow no-competition, single-source contracts of \$250,000 or less in value [emergency procurement authority in subsection 32A (c) of the Office of Federal Procurement Policy Act (41 U.S.C. §428a(c))].

Of the \$62.3 billion in appropriations for hurricane relief, \$60 billion was added to FEMA’s existing Disaster Relief Fund. As of November 30, 2005:

- \$8 billion has been expended
- \$23 billion has been obligated for contracts, grants, or FEMA taskings, known as mission assignments
- \$26 billion has been allocated for estimated needs for the next 30 days.

Since November 30, 2005, additional action was taken by the U.S. Congress. During December 2005, Congress passed a hurricane relief bill that redirected \$29 billion of the previously approved \$62.3 billion in appropriations toward economic development, and federal facility restoration, and provided tax relief for Gulf Coast businesses and funds to strengthen New Orleans’ levee system.

Figure 3-2 on the next page shows the current totals for hurricane-related congressional appropriations and the amount that has been allocated by response and recovery managers; the amount obligated, which are funds that have been applied to a contract or grant for work to be accomplished; and the amount already expended by the government.

The Congress also made \$15 million available to the DHS OIG to carry out new oversight responsibilities related to hurricane recovery. Of that amount, \$1.1 million has been obligated as of November 30, 2005.

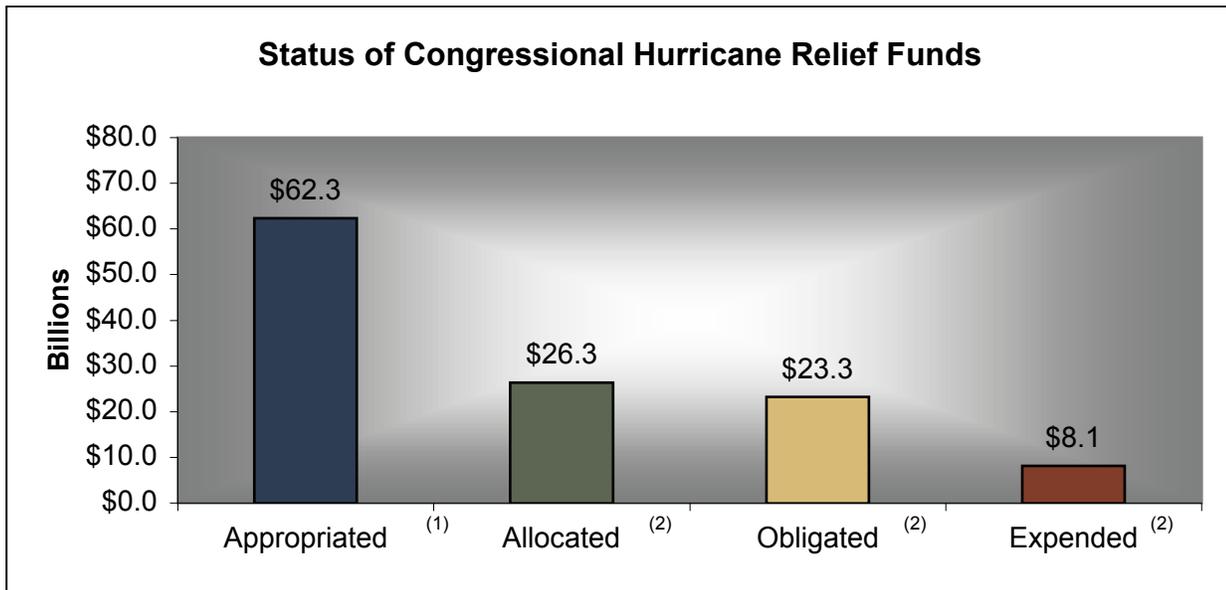


Figure 3-2

Source: FEMA Weekly Congressional Report, December 7, 2005.

(1) \$62.3 B is total supplemental appropriations for hurricane relief, including DoD and USACE funds.

(2) Amounts are allocated, obligated and expended from the Disaster Relief Fund and do not include the DoD or USACE funds.

Federal Emergency Management Agency Mission Assignments

FEMA tasks other federal agencies using appropriated funds through Mission Assignments (MAs). The other federal agencies then use the MA funds to execute hurricane response efforts, which could include the use of contractors. Assignments are identified by three categories:

- **Technical Assistance:** federal agencies provide expertise to states; 100 percent federally funded; no state cost share
- **Direct Federal Assistance:** funds requested by state; goods and services provided to the state to save lives and protect property; subject to state cost share, unless waived by FEMA
- **Federal Operations Support:** reflects agreements with federal agencies to perform services, such as providing search and rescue operations, health and medical support, assisting with disease prevention and control, transportation of disaster victims, and delivery of food, water, and other essential commodities to disaster victims; 100 percent federally funded; no state cost share.

As of December 7, 2005, FEMA has distributed more than \$8.6 billion in MAs. Table 3-1 shows the distribution of the top ten FEMA taskings, (known as mission assignments), by agency. See Appendix D for all federal agencies receiving mission assignments from FEMA.

FEMA Gulf Coast Hurricane Mission Assignments

Department/ Agency	Katrina Mission Assignments	Rita Mission Assignments	Wilma Mission Assignments	Total Mission Assignments
USACE	\$3,655,672,152	\$550,260,000	\$293,522,000	\$4,499,454,152
DOD	\$1,636,102,389	\$68,351,000	\$3,550,000	\$1,708,003,389
DOT	\$421,306,213	\$52,910,000	\$20,083,000	\$494,299,213
DHS	\$380,848,884	\$57,150,685	\$30,681,512	\$468,681,081
USFS	\$179,545,288	\$180,905,000	\$5,580,000	\$366,030,288
EPA	\$317,714,200	\$43,045,000	\$440,000	\$361,199,200
HHS	\$257,586,800	\$93,690,000	\$9,395,000	\$360,671,800
GSA	\$87,143,291	\$540,000	\$130,000	\$87,813,291
HUD	\$82,525,000	\$95,000	–	\$82,620,000
DOJ	\$53,579,600	–	\$45,000	\$53,624,600
Total	\$7,072,023,817	\$1,046,946,685	\$363,426,512	\$8,482,397,014

Table 3-1

Source: FEMA Weekly Congressional Report, December 7, 2005.

FEMA Grants

Federal funds were also distributed to state and local agencies in the form of grants so that the state and local agencies might meet the increased need for assistance brought about by the hurricanes. FEMA has distributed nearly \$4.4 billion in federal aid to more than 1.4 million households in grants and other assistance. The District of Columbia and 44 states have been given emergency declarations to cover expenses for Gulf Coast housing evacuees around the country.

Annual Appropriations

As of November 30, 2005, three agencies have used their annual appropriations, totaling \$471 million, to provide direct support for Hurricane Katrina. Small Business Administration (SBA) reported the largest use of annual appropriations with \$246 million transferred to hurricane-related use, while Department of Transportation (DoT) reported \$204 million, and Department of Interior (DoI) transferred \$21 million from its programs and bureaus.

Section IV. Audits and Other Reviews



Covington, LA, September 20, 2005 — Hurricane Katrina damaged house roofs throughout the eastern areas of the state, as witnessed by the blue roof tarps in use. The U.S. Army Corps of Engineers operates a “Blue Roof Program” which supplies and installs these protective tarps free of charge. (Win Henderson/FEMA)

AUDITS AND OTHER REVIEWS

The Inspectors General (IGs) involved in the auditing efforts have coordinated their oversight activities through the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) and the overall effort is being coordinated with the General Accountability Office (GAO).

The activity plan for hurricane oversight focuses heavily on prevention, and included:

- Reviewing controls
- Monitoring and advising department officials on contracts, grants, and purchase transactions before they are approved
- Meeting with applicants, contractors, and grantees to advise them of the requirements and to assess their capability to account for the funds.

It also encompasses aggressive and ongoing audit and investigative efforts designed to identify and address fraud, waste, and abuse as early as possible.

Following any disaster, including those related to the war against terrorism, auditors strive to locate themselves as close to relief and reconstruction sites as possible. Chiefly, this deters fraud and waste as auditors, inspectors, and investigators arrive and make their presence well known. Office of Inspector General (OIG) personnel often must manage the new hurricane-related tasks immediately, along with their other pre-disaster workloads.

Most of the IGs have produced audit plans and many are engaged in their first round of audits, having arrived on the scene within weeks of the hurricanes' arrival along the Gulf Coast. Immediately, management memoranda, audit alerts, and other proactive oversight activities were issued by IG staffs, followed quickly by more traditional onsite assessments and audit planning.

Though still in the midst of conducting their traditional audit products, auditors proactively support hurricane recovery managers to help them manage resources and to avoid the obvious and unexpected pitfalls of what may become the largest disaster recovery initiative in American history. The task of coordinating more than 338 full-time and 51 part-time auditors across the 19 PCIE/ECIE agencies reporting their completed, ongoing, and planned audits is the responsibility of the Department of Homeland Security (DHS) OIG's Gulf Coast Hurricane Recovery Office. Each auditor involved is a skilled professional whose work is guided by the U.S. Government auditing standards (known as the Yellow Book).

Both Hurricanes Katrina and Rita are recent memories for most Americans. The damage inflicted by these natural disasters on the millions living along the Gulf Coast should not be compounded by those whose business practices include fraud, waste, or abuse of federal dollars. The auditors of the PCIE/ECIE providing hurricane oversight are dedicated to protecting the interests of those Americans who are only beginning to address the disruptions to their lives.

The following are the audit summaries from federal departments and agencies involved in the rebuilding of America's Gulf Coast.

Department of Homeland Security

Final Audit Products

Management Advisory Products

Process for Preparing Project Worksheets

Report Number GC-HQ-06-01 (formerly OIG 06-01), issued October 5, 2005

In reviewing state requests for public assistance funding, the Louisiana Office of the Legislative Auditor noted discrepancies between funds requested and funds granted. In particular, in Jefferson Davis Parish, Federal Emergency Management Agency (FEMA) obligated \$2.7 million more than was estimated by the applicant. In determining whether the discrepancies could be explained or what caused the breakdown in controls in FEMA's approval of the projects, the OIG found a weakness in the application of management controls for estimating damages, obligating funds for local entities, and ensuring that applicants receive and acknowledge the correct amount of funds.

Recommendation: Ensure that FEMA personnel follow appropriate management control procedures when processing project worksheets.

Review of the Proposed Interagency Housing Agreement with the Department of Veterans Affairs

Report Number GC-DD-06-02 (formerly DD-06-01). Issued October 14, 2005

Work begun by the Department of Veterans Affairs (VA) for the temporary housing of evacuees was incurring costs on an unexecuted \$28.4 million interagency housing agreement. Though the agreement was still under review by FEMA headquarters, the VA began preparing housing units for occupancy and removed a significant number of properties from the market in order to make them available to evacuees.

Recommendation: That the contracting officer notifies VA to cease work under the proposed agreement or continue work at its own risk.

Placement of FEMA Trailers in St. Bernard Parish

Report Number GC-DD-06-03 (formerly DD-02-06), issued October 26, 2005

Allegations were made that a contractor improperly altered the delivery and placement of trailers to give preferential treatment to a private business. It was found that the delivery and authorization for placement agreed fully with the arrangements made by the state's representative, and that the contractor did not attempt to alter those arrangements.

Changes in State of Louisiana Compensation Policies

Report Number GC-DD-06-04 (formerly DD 03-06), issued October 26, 2005

New state policies authorized increased compensation to State employees performing work related to the disaster in violation of Office of Management and Budget (OMB) guidelines that require treatment of policies, regulations, and procedures be uniformly applied to federal and state conditions.

Recommendation: That FEMA and state personnel be notified that the increased costs are not eligible for reimbursement under any of the disaster grant programs.

Management Advisory Report on the Major Technical Assistance Contracts

Report Number GC-HQ-06-05 (formerly OIG-06-02), issued November 1, 2005

The objective was to determine whether effective processes had been implemented for managing the technical assistance contracts with Bechtel National, Inc.; CH2M Hill Constructors, Inc.; Fluor Enterprises, Inc.; and Shaw Environmental, Inc. The OIG found that verbal authorizations and letter contracts with pre-award cost authorizations without spending limits had initiated the work, and have not been converted to formal task orders with definitive pricing.

Recommendations: To negotiate a not-to-exceed ceiling within a brief period after issuance of new verbal authorizations and letter task orders; to negotiate not-to-exceed ceilings on all current verbal authorizations and letter task orders; and to develop a binding spending schedule against the not-to-exceed ceiling for each verbal authorization and letter task order.

Expedited Assistance Overpayment

Report Number GC-HQ-06-06 (formerly OIG 06-03), issued November 1, 2005

DHS OIG attempted to identify the events that resulted in a married couple receiving duplicate payments for expedited assistance and determine why internal controls did not prevent the duplicate payment from being issued and why the applicants were not provided adequate information to return the excess funds. It was found that for a short time, the National Emergency Management Information System was not configured with system controls to prevent more than one payment per household. FEMA officials are investigating what happened with inadequate information being provided on the return of funds, and have identified more than 5,000 potentially duplicated payments.

Recommendations: Have caseworkers review the potential duplicates and recoup any overpayments; review and test system controls and procedures to ensure prevention of further duplications; and ensure that call center employees are properly trained professionals.

Clearbrook, LLC Billing Errors under Contract Number HSFE-06-05-F-6232

Report Number GC-DD-06-07 (formerly DD-04-06), issued November 10, 2005

Upon referral by the General Services Administration (GSA) IG, the DHS OIG reviewed the billings for the contractor providing food and lodging at responder base camps throughout Louisiana. The OIG found that \$4.9 million was paid for work performed before the contract's effective date; the billings included mathematical errors overcharging by more than \$3 million; the billings were for time and materials plus fixed per diem rates although the contract was a firm fixed price; and the contract was lacking in scope of work and documentation supporting price reasonableness.

Recommendation: That the contracting officer suspends payments until contracting officials resolve these issues.

Washington Parish Contracting Problems

Report Number GC-DD-06-08 (formerly DD-05-06), issued November 14, 2005

Washington Parish's non-competed debris monitoring contract estimated at \$4 million was found to be non-compliant with federal regulations and subject to non-reimbursement by FEMA unless corrected. Specifically,

the contract should have been competitively bid and/or a cost/price analysis performed, contract language included a prohibited “cost plus a percentage of cost” aspect, and a ceiling price for time and materials should have been included.

Recommendation: That FEMA and state personnel resolve these issues with parish officials, either correcting the contractual problems or making other debris monitoring arrangements.

Ongoing Audits

Forensic Audit of the Department of Homeland Security’s Purchase Cards

Code 192192

DHS OIG and the GAO are jointly conducting a forensic audit of DHS’s purchase card program to assess whether (1) DHS’s internal controls are adequately designed and operating effectively, and (2) there are indications of fraudulent, improper, and abusive usage of DHS purchase cards. The review covers purchase activities from June 13, 2005, to October 12, 2005, and consists of more than 400,000 transactions valued at approximately \$191 million. This includes \$23 million of purchase card activities for Hurricane Katrina.

The purchase card can be used for both micro-purchases and payment of other purchases. Most purchase cardholders have single purchase transaction limits of \$2,500, but some have limits of \$25,000 or higher. In order to meet immediate needs arising from the consequences of Hurricane Katrina, Congress raised the micro-purchase threshold from \$2,500 to \$250,000 for purchases directly related to the relief and recovery efforts.

FEMA and the U.S. Coast Guard were the two components in DHS that used the purchase cards for Hurricane Katrina relief and recovery. These two components jointly spent approximately \$23 million in purchase card transactions for Hurricane Katrina relief and recovery. This data was included in the ongoing data-mining portion of the purchase card review.

Review of FEMA Contracts Awarded by Contracting Officers at the Biloxi, MS Area Field Office

GC-MS-06-09 Expected Issuance: December 2005

This is a review of \$4 million of the \$4.7 million in awarded contracts in order to determine whether the contracting officers selected contractors according to federal regulations.

Concerns Over FEMA Housing Deadlines in Texas

GC-TX-06-10 Expected Issuance: December 2005

This is an examination of the potential impact of the March 1, 2006 termination of the Public Assistance Hotel and Housing Reimbursement Program on the evacuees in Texas cities. The direct housing payments would cease and evacuees would have to seek rental payments through the Individual Assistance Program instead.

Review of FEMA Contracts Awarded by Contracting Officers at the Jackson, MS Joint Field Office

GC-MS-06-11 Expected Issuance: December 2005

This is a review of \$14.5 million of the \$15.2 million in awarded contracts in order to determine whether the contracting officers selected contractors in compliance with federal regulations.

Strengthening Registration Intake Controls

GC-HQ-06-12 Expected Issuance: December 2005

This is an examination of the process and related controls at the Virginia National Processing Service Center for registering applicants for disaster assistance through both the 800 toll-free call centers and the Internet.

Sub-grantee Contracting Practices

This is a review of selected sub-grantees' debris removal operations to determine whether contracts are procured in compliance with federal regulations, and whether there are effective controls in place for monitoring contractors' work and the related billings.

Audit of Black Warrior Electric Cooperative

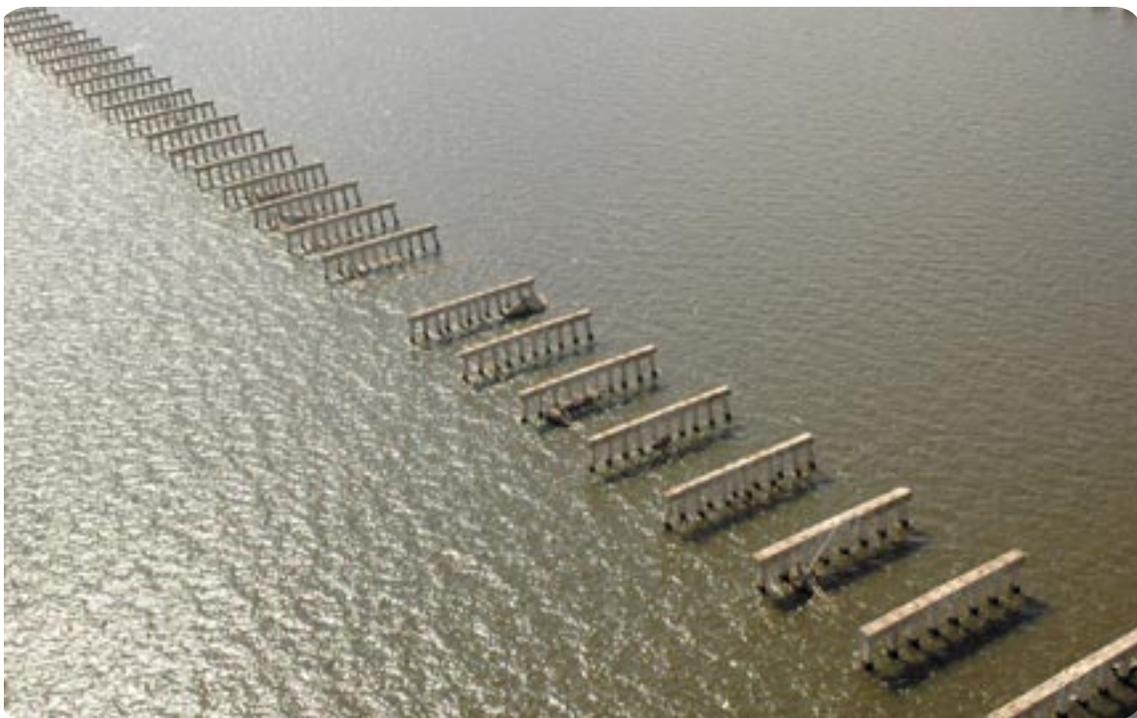
This is a review of \$2.5 million in costs incurred by Black Warrior Electric Cooperative in Alabama.

Travel Trailers

DHS OIG will identify and test internal controls in place for providing and tracking travel trailers issued to hurricane evacuees and will continue monitoring the program by visiting staging areas.

Duplication of Benefits

This is an analysis of listings of applicants for Individual Assistance who have been placed in travel trailers.



Biloxi, MS, October 4, 2005 — Destroyed Mississippi gulf coast Highway I-90 as a result of winds and tidal surge from Hurrican Katrina. The support columns are all that remain of this section of I-90 that connects Biloxi with Ocean Springs, MS. (John Fleck/FEMA)

Technical Assistance/Advice

DHS OIG will advise project officers on issues at the field offices, such as those related to compliance with federal procurement requirements and labor cost guidelines.

Planned Audits

Resolving Privacy Issues of Data-Sharing Necessary for Successful Disaster Response and Recovery Operations

DHS OIG will analyze past and current issues involving privacy in regard to disaster operations. Also, it will determine the most appropriate protocols necessary for successful response and recovery operations with respect to privacy concerns, and determine the aspects of federal interagency, state, local, and non-governmental organizations coordination necessary for successful response and recovery operations with respect to privacy concerns and data sharing.

Review of the Case Management Initiative for Hurricane Katrina Victims

DHS OIG will determine whether the grant is managed and operates in compliance with all applicable federal rules and regulations. Also, it will determine whether the program is operated in an economical and efficient manner, and determine whether the program effectively meets the needs of Hurricane Katrina victims.

Review of Sub-grantees' Accounting Systems, Expenditures, and Contracting Practices

DHS OIG plans to determine whether sub-grantees are accounting for and expending disaster grant funds, and contracting for disaster services in accordance with federal regulations and FEMA guidelines. The planned jobs are:

- Alabama—The Alabama Department of Conservation and Natural Resources—\$20 million (Hurricane Katrina)
- Alabama—The City of Gulf Shores—\$7.8 million (Hurricane Katrina)
- Florida—Miami-Dade—\$185 million (Hurricane Wilma)
- Florida—City of Ft. Lauderdale—\$150 million (Hurricane Wilma)
- Louisiana—City of New Orleans—\$102 million (Hurricane Katrina)
- Louisiana—St. Bernard Parish—\$34 million (Hurricane Katrina)
- Louisiana—Department of Homeland Security & emergency preparedness—\$99 million (Hurricane Katrina)
- Mississippi—Plans are to review eight sub-grantees
- Texas—City of Austin Katrina evacuee grants.

In addition, DHS OIG will review on an ongoing basis selected sub-grantees' accounting systems, cash management practices, procedures for documenting disaster related costs, and availability of source documentation to determine compliance with federal regulations.

Armed Guard Services Provided by Blackwater Security Consulting, LLC under Contract HSCEFC-05-J-F00002

This is a review of the contract management and administration of the Federal Protective Service contract with Blackwater Security Consulting to provide armed guard services to protect FEMA facilities and personnel in Baton Rouge and as directed by the Federal Protective Service.

Invoices Submitted under Order HSFEHQ-06-F-0047 by Corporate Lodging Consultants, Inc.

This is a review of the FEMA's contract management and administration of a task order under a Blanket Purchase Agreement Number QPN-BQR-0016 awarded by the GSA to Corporate Lodging Consultants, Inc. for emergency lodging services.

Selection of Contractors for Hurricane Katrina Response and Recovery Activities

This is a review of the FEMA's current policies and practices in selecting contractors for Hurricane Katrina response and recovery actions.

Maryland and Virginia National Processing Service Centers (NPSC)

The DHS OIG staff will continue to proactively work with DHS policy and program officials to prevent waste and abuse and to better ensure efficient and effective use of relief resources. This includes:

- Monitoring policies and procedures for providing assistance and determining eligibility
- Following-up on prior audit recommendations
- Evaluating internal controls in place to ensure that individual assistance is provided properly, accurately, and timely
- Where appropriate, providing technical advice.

The scope of coverage includes registration, housing inspection, recertification, and the recoupment processes. Rental assistance, sheltering, hotels and motels, and manufactured housing are also included. The OIG has placed a particular emphasis on identifying and preventing duplication of benefits from other FEMA programs, as well as assistance from other federal agencies and private assistance organization. Identifying potentially fraudulent applications, in coordination with the GAO, will remain an integral part of oversight activities.

Department of Commerce

Final Audit Products

As of November 30, 2005, the Department of Commerce (DoC) OIG had not issued any final audit products.

Ongoing Audits

As of November 30, 2005, the DoC OIG had not reported ongoing audits or reviews.

Planned Audits

The DoC OIG is planning additional audit work on post-hurricane activities. Specifically, the OIG is working to determine the actual value of reimbursable activities and how funds were spent in the area of FEMA mission assignments, including:

- The response of National Oceanographic and Atmospheric Administration (NOAA) and Economic Development Authority to the National Response Plan for Emergency Support Functions Number 3, Number 10, and Number 14
- DoC employees who volunteered to help FEMA.

Also, the OIG will conduct audit work on NOAA purchase card transactions. Audit reports for this work and separate reports on the DoC OIG survey of contracts and grants will be issued and coordinated through the PCIE/ECIE.

Department of Defense

The Department of Defense (DoD) OIG, the U.S. Army Audit Agency (USAAA), the Naval Audit Service, and the Air Force Audit Agency have employed a cadre of auditors to provide immediate and professional oversight of DoD contracts and operations related to Hurricane Katrina relief efforts. DoD oversight agencies submitted the following audit activities:

Final Audit Products

As of November 30, 2005, the DoD OIG, the USAAA, the Naval Audit Service, and the Air Force Audit Agency had not issued any final audit products.

Ongoing Audits

As of November 30, 2005, the following audits were ongoing:

Department of Defense Office of Inspector General

Audit of the International American Products, Worldwide Services, Ice Delivery Contract for the U.S. Army Corps of Engineers (USACE)

(Project Number D2006-D000CG-0075.00) November 8, 2005

This audit will address congressional concerns regarding the award and administration of the ice delivery contract between the USACE and International American Products, Worldwide Services.

Audit of the USACE's "Operation Blue Roof" Project in Response to Hurricane Katrina

(Project Number D2006-D000CG-0081.000) November 9, 2005

This audit was initiated in response to a request from Congress to review the USACE's oversight of the "Operation Blue Roof" project. Specifically, the audit objective is to review the award and the administration of "Operation Blue Roof" contracts for the Hurricane Katrina relief efforts.

Audit of the USACE's "Emergency Water" Contractor

(Project Number D2006-D000FE-0091.000) November 17, 2005

This audit was initiated in response to congressional concerns regarding the selection of the Lipsey Mountain Spring Water Company as the sole source contractor for emergency water supplies. The audit objectives are to review the selection and contracting processes and the contractor's capability to function as the sole source water supplier for domestic emergencies.

Audit of Expanded Micro-Purchase Authority for Purchase Card Transactions Related to Hurricane Katrina

(Project Number D2006-D000CK-0019.000) —September 23, 2005

The overall audit objective will be to determine whether DoD purchase card transactions in support of Hurricane Katrina rescue and relief operations were reasonable, appropriate, and consistent with DoD purchase card policies and procedures.

Audit of the Use of DoD Resources Supporting the Hurricane Katrina Disaster

(Project Number D2006-D000LA-0009.000) September 19, 2005

The overall audit objective will be to audit the use of DoD resources in providing relief efforts in support of Hurricane Katrina.

Audit of the Effects of Hurricane Katrina on DoD Information Technology Resources in Affected Areas

(Project Number D2005-D000AS-0310.000) September 15, 2005

The overall objective is to determine the effects of Hurricane Katrina on DoD information technology resources.

Audit of Accounting and Oversight of Obligations and Expenditures Related to the Department of Defense Hurricane Katrina Reconstruction Effort

(Project Number D2006-D000FE-0010.000) September 19, 2005

The overall objective of this audit will be to determine whether DoD obligations and expenditures related to the Hurricane Katrina reconstruction effort are timely and efficiently executed and in accordance with applicable laws and regulations.

U.S. Army Audit Agency

Audit of Debris Removal Contracts

(Project Number A-2006-FFD-232.000) October 12, 2005

The USAAA will assess whether the USACE appropriately awarded and are adequately monitoring its contracts for debris removal services.

Audit of Levee Repair Contracts

(Project Number A-2006-FFD-0238.000) October 12, 2005

The USAAA will assess whether the USACE appropriately awarded and are adequately monitoring its levee repair contracts.

Audit of Army Fund Accountability for Hurricane Relief Efforts

(Project Number A-2006-FFD-0216.000) October 7, 2005

The USAAA will assess whether the Army established and implemented appropriate procedures and processes to account for funds received and costs incurred and to obtain reimbursements for allowable expenses for Hurricane Katrina relief efforts.

Navy Audit Service

Audit of Military Sealift Command's Chartered Cruise Ships

(Project Number N2006-NFO000-0009.001) September 30, 2005

The audit objective is to verify that Military Sealift Command's contract awards for cruise ships, as requested by FEMA, were in accordance with Federal Acquisition Regulations and departmental policy.

Audit of Government Commercial Purchase Cards Used for Hurricane Katrina Relief Efforts

(Project Number N2006-NFA000.0009.002) October 3, 2005

The audit objectives are to verify that: (1) commercial purchase cards are used in accordance with established guidance, and that goods and services are adequately accounted for; and (2) purchase card program internal controls are adequate to prevent or promptly detect errors, irregularities, fraud, waste, and abuse.

Audit of Department of the Navy's Use of Hurricane Katrina Relief Funds

(Project Number N2006-NFA000-0009.003) September 30, 2005

The audit objective is to determine whether relief funds were used in accordance with laws and regulations and were properly accounted for and reported. Specifically the audit will verify the allocation, use, tracking, and reporting of Katrina Relief Funds.

Audit of Cash Accountability of Department of Navy Disbursing Officers for Hurricane Katrina Relief Funds

(Project Number N2006-NFA000-0009.004) September 30, 2005

The audit objectives are to verify that (1) disbursing officer cash is accounted for in accordance with established guidance for Hurricane Katrina relief funds, and (2) internal controls were implemented to prevent and detect irregularities and acts of fraud, waste, and abuse.

Audit of Controls and Accountability over Medical Supplies and Equipment—Hurricane Relief Efforts

(Project Number N2006-NFA000-0009.005) October 17, 2005

The audit objective is to determine whether management controls over medical supplies and equipment used in Hurricane relief efforts were effective.

Audit of Contractor Support Services in Support of Hurricane Relief Efforts

(Project Number N2006-NFA000-0009.006) October 17, 2005

The audit objective is to determine whether management controls over service contracts were adequate to ensure that:

- Contract services were properly justified, provided services of value to the Navy, and met government requirements concerning authorized use of service contracts
- Contract deliverables were clearly defined and adequately measured in terms of results, quality and timeliness
- Contract deliverables met contract requirements in terms of results, quality and timeliness
- The appropriate contract type was used to provide services at the lowest cost and least risk to the government.

Audit of Information Systems Restoration and Data Recovery Related to Hurricane Katrina

(Project Number N2006-NFA000-0009.000) December 12, 2005

The audit objective is to (1) verify the effectiveness of information systems restoration and data recovery efforts and (2) that the controls in place to ensure that those efforts are executed in accordance with laws and regulations are adequate to prevent or promptly detect errors and irregularities.

Air Force Audit Agency

Audit Planning, Hurricane Katrina Relief Efforts

(Project Number F2006-FB1000-0124.000) October 5, 2005

The overall objective is to formulate audit objectives related to financial management, aviation fuel reimbursements, and reconstruction planning efforts.

Hurricane Katrina Federal Emergency Management Agency (FEMA) Reimbursements

(Project Number F2006-FB1000-0173.000) November 1, 2005

The overall objective of the audit is to determine whether Air Force personnel effectively managed FEMA reimbursements. Specifically, the audit will determine whether personnel established adequate accountability over the funds; used funds for valid Hurricane Katrina relief efforts; and accurately reported those costs.

Hurricane Katrina Supplemental Funds Management

(Project Number F2006-FD1000-0210.000) November 21, 2005

The overall objective is to determine whether Air Force personnel effectively managed Hurricane Katrina supplemental funds. Specifically, the audit will determine whether supplemental funds were used for valid Hurricane Katrina efforts and if personnel maintained adequate accountability of the supplemental funds.

Planned Audits

In January 2006, the USAAA plans to initiate two new audits. The first audit will focus on the accuracy of the USACE contract data reporting. The second audit will assess the award and monitoring of USACE contracts for quality assurance services.

Department of Energy

Final Audit Products

The Department of Energy's Response to Hurricanes Katrina and Rita

(Project Number IG0707) November 9, 2005

The Department of Energy (DoE) Office of Inspector General initiated a special review, entitled *The Department of Energy's Response to Hurricanes Katrina and Rita*, to:

- Determine whether DoE's response to Hurricanes Katrina and Rita fulfilled its responsibilities under the DHS's National Response Plan
- Ensure that appropriated funds are used for their intended purposes and comply with applicable procurement standards
- Investigate allegations of fraud involving DoE-funded projects.

The purpose of the National Response Plan is to unify the federal approach to domestic incident management, including natural disasters such as hurricanes. Under the National Response Plan, DoE is the lead federal agency for Emergency Support Function-12 (ESF-12), which addresses the restoration of energy systems after a natural disaster.

The auditors reported that the department was effective in fulfilling its responsibilities under the National Response Plan. Specifically, the department:

- Initiated policy and regulatory actions needed to assist energy recovery efforts and mitigate the impacts of hurricanes
- Coordinated with energy industry and with other governmental agencies to identify supporting resources and facilitate the restoration of energy systems
- Continuously monitored the status of energy system damage and repair work.

While the department's response mechanism was effective, the review did identify certain actions that could enhance future such missions. These actions include improving communication channels between private and government bodies and the department, strengthening the department's ability to identify emergency response assets in advance of such events as natural disasters, and augmenting the staffing and provisions of energy restoration emergency response teams. DOE management was in full agreement with the proposed recommendations.

Ongoing Audits

As of November 30, 2005, the DoE OIG had no ongoing audits in process.

Planned Audits

To date, the DOE OIG has not conducted additional audit or investigative reviews due to the limited amount of funds allocated to DOE for hurricane relief-related activities. Any future efforts of the OIG will depend on the amount of money the department receives and how those funds are used.

Department of the Interior

Final Audit Products

The Department of the Interior (DoI) did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

As of November 30, 2005, the DoI OIG had no ongoing audits in process.

Planned Audits

The DoI OIG has initiated an audit effort focused on ensuring the department is making the best use of funds and confirming the appropriateness of current and future contracts. The initial focus on monitoring Katrina related expenditures has been expanded to evaluate financial management control procedures in response to emergencies. The OIG staff also will begin a data-mining effort to identify potential charge card and contract fraud.

Department of Justice

Final Audit Products

The DoJ did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Oversight of Department of Justice Expenditures Related to Hurricane Katrina (Assignment Number 01-8-06-001)

The objective of this limited scope audit is to determine if the Bureau of Justice Assistance followed appropriate internal controls and procedures for the Hurricane Katrina relief grants awarded in September 2005. The Bureau awarded 33 Justice Assistance Grants, which totaled more than \$5 million. The DoJ OIG's audit work focused on the criteria and procedures the Bureau followed to determine the grant recipients and the amount of each grant.

Planned Audits

The department plans to issue an audit of DoJ's hurricane-related purchase card transactions. The objectives of this audit are to determine if (1) DoJ components minimized the misuse of purchase cards for hurricane-related expenditures by utilizing effective and appropriate internal controls, (2) purchase card transactions were authorized and allowable, and (3) purchased goods and services were received. As of November 30, 2005, DoJ purchase card expenditures totaled approximately \$8.4 million.

Department of Labor

Final Audit Products

The Department of Labor (DoL) did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Draft Management Letters were issued for two audits during this reporting period. The letters preliminarily recommended that the department work with the officials in Louisiana and Texas to address issues related to allowable temporary employment opportunities and the transition of National Emergency Grant participants from short-term temporary jobs to strategies aimed at improving their employability over the long term. The following audit draft management letters were issued:

Oversight of the Louisiana National Emergency Grant program

(Assignment Number 06-A06-004-03-390)

The objective of this audit was to assist the department in ensuring that grant funds are used effectively to serve hurricane-affected individuals. A draft management letter was issued on November 29, 2005.

Oversight of the Texas National Emergency Grant program

(Assignment Number 06-A06-003-03-390)

The objective of this audit was to assist the department in ensuring that grant funds are used effectively to serve hurricane-affected individuals. A draft management letter was issued on November 29, 2005.

Planned Audits

By the end of December 2005, the department expected to finalize three draft management letters. Two of these letters recommended that the department work with the officials in Mississippi and Alabama to address issues related to allowable temporary employment opportunities and the transition of National Emergency Grant program participants from short-term temporary jobs to strategies aimed at improving their employability over the long term.

Insurance and Unemployment Claims

Also draft management letters for Texas, Mississippi, Alabama, and Louisiana all are expected to be issued by the end of December 2005, which are intended to communicate and obtain comments on the results of the DoL's computer analysis of Unemployment Insurance and Disaster Unemployment Assistance claims filed in these states.

Review of Louisiana Debit Cards

The department plans to review the adequacy of internal controls established by Louisiana over debit cards issued by the state to pay Disaster Unemployment Assistance and Unemployment Insurance benefits to individuals who became unemployed as a result of the hurricanes.

Department of Transportation

The Department of Transportation Office of Inspector General (DoT OIG)'s audit work focuses on the Department's Office of Intelligence, Security, and Emergency Response; the Federal Highway Administration (FHA), Federal Transit Administration (FTA), Federal Aviation Administration (FAA), Maritime Administration (MARAD), and Federal Railroad Administration (FRA); and state departments of transportation activities.

Final Audit Products

Management Review of Department of Transportation Tracking of Katrina-related Administrative Costs

On October 12, 2005, the department's OIG issued a management advisory memorandum on accounting and financial reporting of related hurricane costs. The auditors reported that although the operating administrations were working to implement the Assistant Secretary for Budget and Programs/Chief Financial Officer's direction that they establish procedures to track and report all costs, there were areas where the operating administrations needed to strengthen implementation of the direction. For example, most operating administrations did not yet have procedures to track all administrative costs related to Hurricane Katrina. Office of the Secretary officials agreed to address these issues promptly.

Ongoing Audits

Examples of the ongoing DoT OIG audits and reviews include:

- Assessing the FAA's internal controls over the Landstar emergency disaster relief transportation services contract for which the department had issued about 570 delivery orders valued at about \$300 million for support to Hurricane Katrina
- Assessing the internal controls for awarding and overseeing the FAA Airport Improvement Grants for hurricane-related reconstruction
- Determining the reasonableness of the \$47 million contract for providing bus service in New Orleans and Baton Rouge, and assessing the adequacy of the controls over contract performance
- Determining whether the affected Gulf states (Alabama, Florida, Louisiana, Mississippi, and Texas) have DoT funds dedicated to congressionally directed highway projects that are no longer needed and, if so, whether the funds can be freed up and redeployed for hurricane-related reconstruction projects.



New Orleans, LA September 8, 2005 — Ten days after hurricane Katrina, there are still areas that have not been addressed by clean up crews. Downed wires pose serious safety hazards. New Orleans is being evacuated due to flooding by hurricane Katrina. (Liz Roll)

Planned Audits

The DoT OIG plans to:

- Verify that expenditures of federal funds on transportation services and programs are appropriately tracked by the operating administrations as required by the Assistant Secretary for Budget and Programs and Chief Financial Officer
- Ensure that operating administrations and state transportation departments exercise adequate oversight of department expenditures and put systems in place to make certain that funds are appropriately spent
- Audit selected projects, grants, and contracts
- Identify potential risks associated with hurricane-related emergency relief contract awards and expenditures (debris clean-up, etc.)
- Perform risk assessments of the larger dollar value contracts awarded by the department
- Review departmental purchase cards transactions for hurricane-related expenditures.

Department of Education

The department has received from FEMA \$230,000 in mission assignment funds. It anticipates that it will receive Katrina-related funds before the end of the year. There are no final, on-going, or planned audits to report as of November 30, 2005.

Environmental Protection Agency

Final Audit Products

The Environmental Protection Agency (EPA) did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

EPA's Efforts to Ensure Safe Drinking Water in Areas Impacted by Hurricane Katrina

(Assignment Number 2005-001748)

This evaluation assesses EPA's efforts in assisting states to ensure that public drinking water systems provide safe drinking water. The EPA OIG's evaluation questions are:

- Were people in affected areas provided with timely, accurate information about safety and proper treatment of their drinking water?
- What was the process for determining that hurricane-impacted water treatment facilities were providing safe drinking water, and did this process appear adequate to support these determinations?
- Have any waterborne illnesses or diseases from drinking contaminated water been identified and, if so, what steps were taken to identify and mitigate the contaminated water source?
- What progress has been made in assessing the operational status of drinking water systems and the process for getting damaged facilities back on-line?

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- Did EPA follow its emergency response protocols, including lessons learned from the World Trade Center collapse and its responsibilities as delineated in the National Response Plan, to ensure the public had access to safe drinking water?

OIG Evaluation of EPA's Response to Wastewater Systems Impacted by Hurricane Katrina

(Assignment Number 2006-000260)

This evaluation is to review EPA's efforts to provide quality and timely information to the public and decision makers. The agency is answering the following questions:

- Did EPA provide quality and timely information to the public and decision makers relative to the safety of individuals and the environment from wastewater?
- How did the affected states use the information provided by EPA?

EPA's Katrina Land Project

(Assignment Number 2005-001751)

The project objective is to determine whether EPA is providing quality and timely information relative to the safety of individuals and the environment; and whether the information is being used by the states and other regulatory agencies in their response efforts. The agency is answering the following questions:

- How is EPA determining the nature, magnitude, and impact of oil spills, fuel releases, sediment contamination, and other hazardous material or substance releases (including new releases and/or those from existing Superfund sites) on human health and the environment?
- How is EPA making distinctions between hazardous and non-hazardous hurricane debris and waste, and are these distinctions being made consistently across the Gulf Coast region?

The EPA is also identifying activities and information needed in the following categories:

- Waste characterization and segregation
- Capacity
- Staging and burning facilities
- Tracking
- Waivers
- FEMA/USACE debris management.

For both oversight objectives (quality/timeliness and state/local responsiveness), the agency is addressing the following:

- EPA's role and regulatory authorities
- Oversight, guidance, and technical assistance provided by EPA
- Identification and assessment methodologies used, and their degree of standardization within and across states or EPA
- Regulatory agencies involved in responding or managing site activities
- Level of monitoring and quality assurance

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- Communication, documentation, and timeliness of results
 - Use of EPA products by State and local agencies.

EPA's Katrina Expenditure Oversight

(Assignment Number 2005-001709)

The project objective is to review EPA's Hurricane Katrina-related expenditures to (1) prevent and detect fraud, waste, and abuse, and (2) ensure that EPA is safeguarding assets to prevent or minimize loss or theft.

Planned Audits

No additional planned audits or reviews have been issued as of November 30, 2005.

Federal Deposit Insurance Corporation

There are no final, on-going, or planned audits to report as of November 30, 2005, from the Federal Deposit Insurance Corporation (FDIC).

General Services Administration

Final Audit Products

The GSA did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Audit of GSA's Response to Hurricane Katrina

(Assignment Number A060055)

The GSA OIG's overall objective is to determine how effectively it responded to Hurricane Katrina. It will look at how the agency responded to the emergency and assisted FEMA in providing relief to the victims of the hurricane. Additionally, the OIG will assess the agency's performance as the landlord for the federal agencies in the affected areas. More specifically, the OIG will assess whether:

- Proper management controls were implemented, and how well these management controls are operating to protect against fraud, waste, and abuse
- Transactions were authorized, valid, reasonably priced, and complied with appropriate regulations
- GSA adequately responded to safeguard physical assets and tenant agencies' needs.

Planned Audits

No additional reviews are planned by the GSA OIG as of November 30, 2005.

Department of Health and Human Services

During this 90-day period, Health and Human Services (HHS) OIG devoted 13 audit staff to hurricane-related audit areas. Auditors were primarily focused on three key activities:

- Performing risk assessments for each major HHS program and activity to determine the risks associated with activities undertaken to responding to the hurricanes and with relaxing internal controls in their operations, such as those for expedited payments
- Developing new audit areas for a special hurricane-related work plan
- Auditing specific HHS hurricane procurements to ensure that funds are used for valid and authorized transactions that comply with appropriate procurement standards, goods and services are procured and delivered correctly, and problems are prevented rather than identified after the fact.

Final Audit Products

HHS did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

CareFlite, Inc. Contract Review, A-06-06-00021

HHS, in its role as primary agency for Emergency Support Function #8 of the National Response Plan, must execute the return of all evacuees that require en route medical care and therefore cannot travel via commercial air or without medical assistance. It is estimated that 6,000 individuals may need to be transported. On October 12, 2005, CareFlite, Inc. was awarded the repatriation contract for Texas, Louisiana, and Mississippi evacuees.

The audit objective is to review and evaluate CareFlite's performance in executing the assigned tasks set forth in the contract.

CareFlite was awarded \$21 million for Texas evacuees. An additional \$20 million may be awarded when Louisiana's infrastructure is reestablished to permit transporting evacuees back to their respective medical facilities.

Planned Audits

The following are planned HHS audit activities:

Assessing HHS Hurricane-Related Procurements

On the basis of the department's risk assessments and guidance provided by the PCIE/ECIE Hurricane Roundtable, HHS OIG will select for in-depth audit the most vulnerable hurricane-related HHS procurements. These audits will specifically focus on the methods of procurement; cost incurred; and the quantity, quality, and timeliness of deliverables.

HHS Accounting for FEMA Mission Assignments

As of November 30, 2005, the total spending authority for HHS FEMA-tasks mission assignments totaled \$430.1 million. The Department of Homeland Security, Congress, and the public expect HHS to provide timely, accurate, complete, and consistent accounting for Gulf coast-related costs that will be reimbursed by FEMA. The HHS OIG audit will determine whether HHS is appropriately accounting for these costs.

HHS' Response to the National Response Plan

HHS OIG will audit HHS' implementation of its responsibilities under the National Response Plan, Emergency Support Function #8 — Public Health and Medical Services. At appropriate departmental, operating division, and staff division levels, HHS OIG will assess the handling of FEMA-tasks mission assignments using established plans, objectives, and other pertinent benchmarks. The audit results will be critical for improving departmental processes for future public emergencies.

Use of Bioterrorism Emergency Preparedness Grants in Selected Gulf Coast States

HHS OIG will audit the use of HHS bioterrorism emergency preparedness grant funding in the Gulf Coast states. HHS OIG will determine if such funding, which is provided annually by the Centers for Disease Control and Prevention and the Health Services and Resources Administration, has been applied for approved purposes and whether items funded by these grants were effective in the hurricane response and recovery efforts. Reviews will be performed in Florida, Alabama, Louisiana, Texas, and Mississippi.



Houston, TX, September 2, 2005 — Residents of Louisiana, who had to flee their homes because of Hurricane Katrina, inside the Houston Astrodome. The residents of Texas have mobilized a massive relief effort to help the those of Louisiana. Volunteers from a number of agencies were on hand to help. (Ed Edahl/FEMA)

Claims for Services Not Rendered—Medicare and Medicaid

HHS OIG auditors will perform a data match of services performed during the months immediately following Katrina to providers located in zip codes declared a national disaster area. The results will be analyzed to determine whether there were providers, which were not operating, but were continuing to bill the Medicare and/or Medicaid programs.

Identification of Aberrant Providers—Medicare and Medicaid

Through the use of software applications, HHS OIG auditors will identify providers who submitted claims to Medicare and/or Medicaid for services provided to evacuees that greatly exceeded the number of claims submitted by other providers in the peer group. These claims will then be selectively reviewed to determine if they are legitimate and medically necessary.

Establishment of Claims Identifiers—Medicare

In the Consolidated HHS Response to OMB Data Call: Katrina Stewardship, the Centers for Medicare and Medicaid Services (CMS) executed a risk assessment for activities related to Hurricane Katrina. As noted in this document, HHS OIG auditors plan to determine whether (1) the Centers established the necessary claims identifiers (“special claims condition codes and modifiers”) and whether the Centers’ contractors implemented those claims identifiers and (2) the claims identifiers accurately represent the numbers, dollars, and nature of disaster-related claims.

Duplicate Medicaid Payments to Providers—Medicaid

HHS OIG auditors will determine if providers are submitting claims and being paid by multiple state Medicaid agencies for the same service for the same evacuee. HHS OIG auditors will conduct audit work to help ensure that providers are not receiving (1) Medicaid payments from both the evacuees’ home state and the host state in which the evacuee is residing; or (2) Medicaid payments for services paid by FEMA.

Department of Housing and Urban Development

Final Audit Products

The Department of Housing and Urban Development (HUD) did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Southwest Alliance of Asset Managers (Assignment Number: AO 06 0003)

This audit will focus on the following areas:

- HUD’s use of Real Estate Owned properties to house disaster evacuees, including management and marketing contractor’s rehabilitation cost billings

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- Identifying/analyzing all fund draw downs (usage) by Public Housing Agencies in the disaster areas for audit and investigation follow-up
 - Identified Public Housing Agencies providing Katrina Disaster Housing Assistance Program vouchers
 - Reviewing all HUD waivers to assure that statute requirements are not waived
 - Monitoring/analyzing HUD contracting efforts relating to disaster recovery efforts.

Planned Audits

No additional audits are planned by the HUD as of November 30, 2005.

National Aeronautics and Space Administration

Final Audit Products

The National Aeronautics and Space Administration (NASA) did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Audit of NASA's Hurricane Katrina Recovery Efforts

(Assignment Number A-05-030-00)

The overall objective of the NASA OIG review is to determine whether NASA has established the necessary internal controls to manage Hurricane Katrina recovery and reconstruction efforts. Specifically, NASA OIG is evaluating NASA's estimation and execution of Hurricane Katrina funds and the processes used to ensure that those funds are used for their intended purposes. The NASA OIG audit is reviewing the following:

- NASA's processes for cost estimating and accounting for the rebuilding of facilities at NASA Michoud Assembly Facility and the NASA Stennis Space Center and providing employee family assistance
- Supplemental funding request by NASA for Hurricane Katrina reconstruction costs
- How NASA and its centers specifically identified, designated and tracked supplemental funds received from Congress for accounting purposes
- NASA's processes for procurements (contracts, purchase orders, purchase card purchases) related to rebuilding NASA Michoud Assembly Facility and the NASA Stennis Space Center facilities
- Compliance with the Emergency Procurement Authority requirements, as defined by NASA's Procurement Information Circular, for contract awards related to Hurricane Katrina efforts
- The degree of competition to help ensure fair and reasonable price to the government to avoid the potential abuse of sole source determinations

-
- NASA's internal controls, specifically implementation of OMB guidance and Executive Orders, revising micro-purchase thresholds and waivers to Davis-Bacon Act.

Planned Audits

No additional audits are planned by the NASA as of November 30, 2005.

Small Business Administration

Final Audit Products

Audit of the SBA's FY 2005 Financial Statements

(Audit Report Number 06-04), November 15, 2005

The Small Business Administration's (SBA) financial statement audit, which assesses the adequacy of internal controls over financial reporting, found that improvement is needed in the management of express mail expenses and employee time and attendance. The audit found that the Atlanta Disaster Area Office had inadequate controls over the approval of time and attendance for approximately 2,300 temporary personnel working in remote locations of disaster sites. In addition, inadequate controls were in place regarding use and reconciliation of Federal Express shipping vouchers. The rapid increase of temporary personnel to administer disaster loans increases the importance of controls over these areas, because these processes are inherently high risk for abuse, which may result in improper payments or misuse of funds or assets.

Ongoing Audits

The SBA OIG is conducting two concurrent reviews of the Agency's Disaster Credit Management System to determine whether the system is performing in accordance with its business process design criteria and other requirements established in SBA policies and applicable laws and regulations.

FY 2005 Federal Information System Controls Audit Manual (FISCAM) Review

(Assignment Number 5054)

Evaluate DCMS's general and application controls over the loan processing system in accordance with guidance provided in the Government Accountability Office's (GAO) *Federal Information System Controls Audit Manual*.

Audit of SBA's Disaster Credit Management System (DCMS)

(Assignment Number 6001)

This audit focuses on four activities, including:

- Assessing the DCMS' conversion plans and tests to ensure all new disaster loans are properly recorded and accounted for and identify any loan processing bottlenecks hampering the effective and timely delivery of services
- Evaluating SBA's disaster loan making and servicing processes and assess whether loan proceeds are

used for relief to victims who are eligible to receive small business and home loans

- Reviewing a selected sample of loans to determine the effectiveness of the processes for originating, servicing, and liquidating disaster assistance loans in accordance with applicable laws and regulations
- Identification potential operational issues hampering the effective delivery of services, internal controls, and loan processing.

Review of Complaint re: Small Business Designation for Federal Contracts

(Assignment Number 6002)

The SBA OIG is also conducting a review of possible misrepresentations made in obtaining federal contracts. It will determine whether three companies misrepresented that they were small businesses when obtaining federal contracts awarded in response to the devastation caused by Hurricane Katrina.

Planned Audits

No additional audits are planned by the SBA as of November 30, 2005.

Social Security Administration

Final Audit Products

The Social Security Administration (SSA) did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

The Social Security Administration's Service Delivery to Individuals and Beneficiaries Affected by Hurricanes Katrina and Rita

(Assignment Number: A-06-06-26072)

Hurricanes Katrina and Rita caused catastrophic damage to property and lives in Louisiana, Alabama, Mississippi, and Texas and damaged SSA offices along the Gulf Coast. SSA's service delivery to individuals and beneficiaries is vital to the region's recovery. In order to facilitate continuity of benefit payments in the affected area, SSA temporarily changed or eliminated several existing controls and procedures. The objective of the OIG's review is to report on the status of the SSA's service delivery to individuals affected by Hurricanes Katrina and Rita and to assess SSA's plans to ensure that payments made under emergency procedures are appropriate and properly safeguarded.

Planned Audits

No additional audits are planned by the SSA as of November 30, 2005.

Treasury Inspector General For Tax Administration

The Treasury Inspector General for Tax Administration's (TIGTA) Office of Audit has begun several reviews associated with Internal Revenue Service (IRS) activity associated with Hurricanes Katrina and Rita. There have been no substantive audit findings reported to date and the reviews are all open.

Final Audit Products

The TIGTA did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Exempt Organizations Oversight Function Related to of Tax-Exempt Organizations Involved With Hurricane Katrina Relief

(Assignment Number: 20060900.H04)

The overall audit objective is to assess the adequacy of the Exempt Organization process can ensure new tax-exempt organizations providing assistance to individuals affected by Hurricane Katrina have been properly approved and that referrals of potentially abusive charitable organizations are given priority treatment. Specifically, TIGTA will assess the processing of new applications for tax-exempt status and evaluate the Exempt Organization's process to address potentially abusive activities by tax-exempt organizations.

Taxpayer Advocate Service (TAS)

(Assignment Number: TBD)

OIG staff is monitoring TAS caseloads to evaluate the types of hurricane-related problems and the number of related cases. When compliance activities resume in areas affected by the hurricanes, TIGTA will begin audit work to evaluate a number of TAS issues, including:

- Access and assistance to taxpayers who need it
- Workload balance between offices to timely resolve taxpayer problems
- Controls to prevent improper adjustments and refunds
- Procedures to prevent improper disclosure of taxpayer information.

Protection of Taxpayer Data During Hurricanes Katrina and Rita

(Assignment Number: 200620036)

The overall objective of this audit will be to evaluate the actions taken by the IRS in protecting taxpayer data in the offices damaged by Hurricanes Katrina and Rita. TIGTA staff will also determine whether IRS offices were vandalized and whether IRS databases were compromised. Staff will also evaluate IRS preparatory actions prior to the arrival of the hurricanes and actions taken in the hurricanes' aftermath. In addition, TIGTA will evaluate business resumption plans for a sample of other IRS locations to determine whether the IRS is prepared for future disasters.

Identifying and Handling Disaster Related Cases in the Wage and Investment Division's Automated Underreporter Program

(Assignment Number: 200640003)

The overall objective of this review is to determine if the Wage and Investment Division's Automated Underreporter Program has ensured that compliance actions were suspended for individual taxpayers impacted by the recent hurricane disasters.

Review of Disaster Relief Codes and Associated Freezes

(Assignment Number: 200640026)

The OIG's overall objective is to determine if the IRS correctly identified taxpayers (individual and business) affected by Hurricanes Katrina and Rita and if disaster indicators were accurately placed on their accounts. In addition, TIGTA will determine if applicable notices were suppressed on these accounts during the disaster relief period. Notices related to compliance activities (Examination, Collection, or Automated Underreporter) are not included in this review. These notices should be included in other TIGTA audits within the overall strategy. To date, the TIGTA has issued one Audit Alert in reference to this review. The alert notes that:

- Disaster End Dates May Not Be Extended for Taxpayers Who Self-Identify
- Service Could Be Improved for Taxpayers With New Addresses.

Field Assistance 2006 Filing Season Readiness

(Assignment Number: 200540037)

The overall objective of this review is to determine if the Wage and Investment Division's field assistance office has adequately planned for the 2006 filing season and has considered and accounted for the effects of Hurricanes Katrina and Rita during the filing season preparations.

Customer Accounts Service 2006 Filing Season Readiness

(Assignment Number: 200540041)

The overall objective of this review is to determine if the IRS is adequately preparing its toll-free telephone system for the FY 2006 filing season (the period from January through mid-April when most individual income tax returns are filed) and has adequately considered and accounted for the effects of Hurricanes Katrina and Rita in the filing season preparations.

Implementing Tax Law Changes for the Processing of Individual Income Tax Returns During the 2006 Filing Season

(Assignment Number: 200640015)

The overall objective of this review is to determine whether the IRS accurately updated tax products and computer programming for tax law changes that will affect the processing of individual income tax returns during the 2006 filing season. TIGTA will assess whether the IRS completely and accurately initiated changes to the tax forms, instructions, and publications and initiated Requests for Information Services (for computer systems changes) necessary to implement new or expiring tax law provisions that affect the processing of Wage and Investment Division taxpayers' returns.

Review of Hurricane Tax Relief Efforts for Compliance Activities

(Assignment Number: TBD)

The objective of the audit work is to determine whether the examination and collection functions were taking compliance actions on open cases for taxpayers who were in designated Hurricane Tax Relief areas.

Planned Audits

No additional audits are planned by the TIGTA, as of November 30, 2005.

U.S. Department of Agriculture

Final Audit Products

The U.S. Department of Agriculture (USDA) OIG did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Ongoing audits and monitoring reviews to ensure the integrity of USDA programs include:

Forest Service (FS) Hurricane Relief Efforts

(Audit Number 08601-46-SF)

This assessment of the delivery of hurricane relief assistance, performed at FS command centers and field operations in Louisiana and Mississippi, is helping to safeguard against fraud, waste, and abuse.

Monitoring Food and Nutrition Service Hurricane Relief Effort

(Audit Number 27099-61-AT)

As part of this monitoring review, auditors have observed the disaster food stamp application process, reviewed fraud prevention reports, and developed information about Electronic Benefit Transaction contracts, the replacement of lost or stolen Point of Sale terminals, and detailed information about store locations and benefit redemption. This ongoing effort is improving the delivery of food stamps to disaster victims and reducing the risk of fraud.

Controls Over Housing Funds Provided for Hurricane Relief Efforts

(Audit Number 04601-13-Ch)

Auditors working on this review of Rural Housing Service single- and multi-family housing assistance have already identified 24 potential risk areas and are working closely with the agency, HUD OIG and the DHS OIG to address control weaknesses.

Hurricane Relief Initiatives—Natural Resources Conservations Service Emergency Watershed Protection (EWP) Program and Dead Animal Debris Disposal Project and Farm Service Agency (FSA) Emergency Conservation Program (ECP)

(Audit Number. 50601-12- KC)

This audit includes monitoring reimbursements, waivers, and revised procedures applicable to the NRCS Emergency Watershed Protection Program, the NRCS Dead Animal Debris Disposal Program, and the FSA Emergency Conservation Program.

Hurricane Relief Initiatives: Barge Movement and Transportation Differential Agreements

(Audit Number: 03601-21-KC)

As part of this review, auditors are evaluating FSA actions to reduce stress on the grain transportation system caused by Hurricane Katrina. Planned actions include an assessment of the award process and validation of recipient compliance.

Planned Audits

For the Risk Management Agency, OIG will review and validate edit checks and management controls for crop insurance emergency loss claims and review loss claims filed under emergency handling procedures to ensure propriety and reasonableness by checking against Farm Service Agency records and the Risk Management Agency data base.

U.S. Postal Service

Final Audit Products

The US Postal Service OIG did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Review of the Postal Service's Supply Management Response to Hurricane Katrina

(Project Number: 06BG003CA000)

This audit will assess the Postal Service's emergency purchasing response performance.

Audit of the Postal Service's Mail Processing Operations in the Wake of Hurricanes Katrina and Rita

(Project Number: 06YG007O000)

This audit will assess the Postal Service's efforts to establish/ re-establish mail processing operations in the wake of Hurricanes Katrina and Rita.

Hurricane Katrina—The Effectiveness of the Postal Service Transportation and Logistics

(Network Project Number: 06YG009NL000)

This audit will determine whether Postal Service transportation and logistics were effective during hurricane relief, recovery, and reconstruction efforts, and whether Postal Service officials protected federal resources.

Audit of the Postal Service's National Change of Address Procedures During a National Emergency

(Project Number: 05BG018IS001)

This audit will assess the Postal Service's response to change of address procedures during a time of national emergency.

Assessment of the Postal Service's Emergency Preparedness for Hurricane Katrina

(Project Number: 06YG011SA000)

This audit will assess the Postal Service's emergency preparedness during Hurricane Katrina.

Audit of the Postal Service's Actions to Safeguard Employees Affected by Hurricane Katrina – Phase I

(Project Number: 06YG015HM000)

This audit will assess the Postal Service's actions taken to safeguard employees affected by Hurricane Katrina, before the storm made landfall.

Planned Audits

Review of the Postal Service's Replacement and Repair of Facilities Affected by Hurricane Katrina

This audit will assess the Postal Service's performance in replacing/repairing its facilities affected by Hurricane Katrina.

Audit of the Postal Service's Actions to Safeguard Employees Affected by Hurricane Katrina – Phase II

This audit will assess the Postal Service's actions taken to safeguard employees affected by Hurricane Katrina, after the storm made landfall.

Department of Veterans Affairs

Final Audit Products

The Department of Veterans Affairs (VA) OIG did not issue any final audit products during the 90-day period ending on November 30, 2005.

Ongoing Audits

Audit of the Department of Veterans Affairs' (VA) Response and Recovery Efforts Related to Gulf Coast Hurricanes

(Assignment Number: 2006-00595-R9-0057)

The VA OIG is conducting an audit of response and recovery efforts related to the Gulf Coast Hurricanes Katrina and Rita. The purpose of the audit is to assess (1) management controls over contract and procurement activities; (2) controls to reestablish healthcare and benefit delivery to veterans; and (3) quality of care issues resulting from the evacuation.

Planned Audits

No additional audits are planned by the VA as of November 30, 2005.

Section V. Investigations



New Orleans, LA, September 14, 2005 — Large parts of New Orleans remain flooded two weeks after several levees failed in the wake of Hurricane Katrina. (Bob McMillan/FEMA)

INVESTIGATIONS

Each of the federal Inspectors General investigates potential violations of law related to hurricane recovery efforts in the Gulf Coast region. Criminal investigators are assigned to determine whether there has been a violation of law, statute, or regulation. Members of the President's Council on Integrity and Efficiency (PCIE) and Executive Council on Integrity and Efficiency (ECIE) submit biweekly reports listing the key details about their investigations. Since the hurricane relief and recovery process was initiated and up until December 2, 2005, 44 individuals have been indicted; 36 individuals arrested, and three convicted for hurricane-related allegations and crimes as a result of investigations by the IG community.¹

On September 8, 2005, the U.S. Attorney General established the Hurricane Katrina Fraud Task Force to deter, investigate and prosecute hurricane related fraud in the wake of Hurricane Katrina. The Hurricane Katrina Fraud Task Force is headed by the Department of Justice's Criminal Division. Its members include the U.S. Attorney's Offices, the Federal Bureau of Investigation, the federal Inspectors General, the U.S. Secret Service, and the U.S. Postal Inspection Service, among others. It works closely with other federal and state partners. The Task Force focuses on specific areas of fraud common in post-disaster environments, including:

- Fraudulent charities: cases in which individuals falsely hold themselves out as agents of a legitimate charity, or create a "charity" that is in fact a sham
- Identity theft: cases in which the identities of innocent victims are "stolen" and assumed by criminals who convert the funds of, or otherwise defraud, the victims
- Disaster relief benefit fraud: cases in which persons misrepresent their status as hurricane victims to receive private or public disaster relief benefits
- Government-contract and procurement fraud and public corruption: cases in which individuals and companies engage in fraud and public corruption relating to federal funds provided for the repair and restoration of infrastructure, business, and government agencies in the affected region
- Insurance fraud: cases in which false or inflated insurance claims are filed

Crime Trends and Enforcement Actions

To identify criminal trends in the hurricane recovery process, the federal IGs have collected agency-level statistics. As of December 2, 2005, members of the PCIE/ECIE have reported 230 open cases of potential criminal activity. The majority of investigations have involved individuals filing false claims to obtain compensation for homes damaged by Katrina without meeting the legal occupancy requirements or proof of residency.

The number of open cases reported by the contributing departments and agencies are: Department of Homeland Security – 188 cases; Department of Defense – three; Department of Labor – four; Department of Transportation – one; the Environmental Protection Agency – three; General Services Administration – one; Health and Human Services – 11; Housing and Urban Development – seven; National Aeronautics and Space Administration – one; Social Security Administration – eight; Treasury Inspector General for Tax Administration – two; and the U.S. Department of Agriculture – one.

¹These numbers do not represent the total number of charges, convictions and sentences obtained by the entire law enforcement community responding to hurricane-related fraud.

Federal agencies investigated government-wide criminal allegations and dropped those cases deemed non-criminal. As a result of this work, federal investigators have obtained 44 indictments, 36 arrests, and 3 convictions. Table 5-1 below presents a summary of law enforcement actions by department or agency, as of December 2, 2005.

Status of Hurricane Oversight Cases, as of December 2, 2005

Department and Agency	Referred for Criminal Prosecution	Referred for Civil Prosecution	Indictments	Arrests	Convictions	Personnel Actions	Debarments	Suspensions	Referred for Agency Follow-up
DHS	-	-	41	29	3	-	-	-	-
DoC	-	-	-	-	-	-	-	-	-
DoD	1	-	-	-	-	-	-	-	-
DoE	-	-	-	-	-	-	-	-	-
DoI	-	-	-	-	-	-	-	-	-
DoJ	-	-	-	-	-	-	-	-	-
DoL	-	-	-	-	-	-	-	-	-
DoT	1	-	-	-	-	-	-	-	-
EPA	-	-	-	-	-	-	-	-	-
GSA	-	-	-	-	-	-	-	-	-
HHS	-	-	-	-	-	-	-	-	-
HUD	-	-	-	-	-	-	-	-	-
NASA	2	-	1	5	-	-	-	-	-
SBA	-	-	-	-	-	-	-	-	-
SSA	2	-	1	1	-	-	-	-	-
TIGTA	-	-	1	1	-	-	-	-	-
USDA	3	-	-	-	-	-	-	-	-
USPS	-	-	-	-	-	-	-	-	-
VA	-	-	-	-	-	-	-	-	-
Total	9	-	44	36	3	-	-	-	-

Source: PCIE Bi-weekly Interagency Homeland Security Roundtable Report on Hurricane Katrina Oversight of December 2, 2005

Table 5-1

PCIE/ECIE Hurricane Fraud Hotline

On October 4, 2005, the PCIE/ECIE Hurricane Fraud Hotline was consolidated by the Department of Defense Office of Inspector General (DoD OIG), who manages the Hotline on behalf of the federal IGs involved in hurricane recovery oversight. Though each of the Inspectors General has a separate hotline for receiving allegations, the DoD OIG operates the Hurricane Fraud Hotline to facilitate reporting, logging, relaying, and tracking fraud, waste, and abuse by contractors, government employees, and the public in Gulf Coast recovery activities.

Contacts are received by the Hotline through calls to an established toll-free telephone number or via fax, regular mail service, or e-mail. The Hotline is operated by the DoD OIG staff and detailees from other federal agencies. Since the inception of the Hurricane Fraud Hotline, there have been 5,468 contacts received, as of December 2, 2005. DoD OIG reviews the complaints received and refers them to the other OIGs for action.

Case Summaries

These select case summaries were reported by the federal IGs involved in hurricane oversight.

Department of Homeland Security (DHS)

In the 90-day period ending November 30, 2005, DHS OIG has obtained 41 indictments, 29 arrests, and three convictions and is working on 188 open cases. As of November 30, 2005, the majority of the investigations have involved individuals filing false claims to obtain monies for homes damaged by Katrina, homes in which the claimant did not reside or for homes at addresses that did not exist. While the DHS OIG is beginning to receive public assistance referrals relating to debris removal contracts, it is proactively monitoring debris removal operations at the affected locations. As of November 30, 2005, DHS had five such open investigations in Mississippi and Louisiana.

DHS OIG investigators are working at Joint Field Offices in Alabama, Mississippi, Louisiana and the Disaster Recovery Center in Houston, Texas. They continue to coordinate with FEMA program staff, provide fraud awareness briefings with an emphasis on debris removal to the U.S. Attorneys Offices, the FBI, the U.S. Secret Service and state and local law enforcement. They have also established an initiative with the Long Term Recovery Center in Florida to identify those who have filed fraudulent applications after Hurricane Wilma. Finally, DHS OIG is an active member of the Attorney General's Hurricane Katrina Task Force under the direction of the Assistant Attorney General of the Department of Justice's Criminal Division, and an active participant in the Task Force's Joint Command Center in Baton Rouge, Louisiana.

Department of Defense

As of November 30, 2005, the DoD OIG staff received 3,777 hotline contacts related to hurricane recovery issues on the PCIE/ECIE Hurricane Fraud Hotline. The Defense Criminal Investigative Service had received ten criminal allegations related to Hurricane Katrina which involved theft, false claims, bribery, kickbacks, product substitution, and procurement fraud. All ten allegations were reviewed and seven were determined to be unfounded. However, three cases dealing with bribery, kickbacks and possible product substitution were initiated.

Also, DCIS has conducted 29 mission/fraud awareness briefings. It is currently working on joint investigations with the U.S. Army Criminal Investigation Command and the Federal Bureau of Investigation. Further, the Defense Criminal Investigative Service is also providing support to the following groups:

- The Hurricane Katrina Task Force Command Center, headquartered in Baton Rouge, consists of senior law enforcement and U.S. Attorney Offices personnel. This group coordinates investigations and collects and analyzes criminal investigative data.
- The joint law enforcement and U.S. Attorney Offices working group headquartered in Covington, LA and the Joint Criminal Investigative Task Force headquartered in Mississippi – both of which are looking into hurricane-related fraud and corruption.

National Aeronautics and Space Administration (NASA)

NASA conducted and assisted in many criminal investigations during and immediately following the Hurricane Katrina evacuation and also reported that its Stennis Space Center functioned as an evacuation refuge for displaced citizens. During this period, NASA OIG dealt with cases involving illegal drugs, illegal solicitation, alleged assaults, breaking and entering, theft, diversion of FEMA supplies, and an unattended death case related to an elderly evacuee. More recently, NASA OIG, along with the Department of Homeland Security, Immigration and Customs Enforcement, conducted a joint investigation into the use of illegal aliens on critical infrastructure projects. Five illegal aliens were arrested and one was later indicted for being an aggravated felon.

Treasury Inspector General for Tax Administration (TIGTA)

The TIGTA reported two open cases during the 90-day reporting period, ending November 30, 2005. One individual allegedly made an online application for FEMA benefits, claiming expedited assistance intended to help Katrina evacuees with immediate food, shelter and clothing needs. This individual was not eligible for FEMA assistance and was indicted and arrested for making a false claim and a false statement. Another investigation involved a telemarketer who allegedly requested and was gathering personal identification information from Hurricane Katrina victims in an attempt to assist victims in applying for Federal tax refunds.

Department of Justice (DoJ)

Department of Justice OIG is investigating a DoJ employee who allegedly submitted a false application for unemployment benefits under a Hurricane Katrina-related FEMA program.

Department of Labor (DoL)

The Department of Labor OIG initiated four investigations involving potential Unemployment Insurance or Disaster Unemployment Assistance fraud and mail fraud. One of the cases involved circumvention of DoL's processes for issuing employment-based foreign labor certifications.

Department of Transportation (DoT)

The Department of Transportation is currently reviewing three cases: an alleged improper award of a large-dollar emergency repair service contract in the Gulf region, a possible employee conflict of interest with administration of the DoT's emergency transportation services contract, and a possible conspiracy and false statements case related to alleged hours-of-service violations by a motor carrier.

Environmental Protection Agency (EPA)

The Environmental Protection Agency initiated three investigations: an alleged false claim by EPA contract employees who were arrested for looting instead of performing duties required under the contract, an alleged false statement by a contractor who purported that he received approval from an EPA on-scene coordinator to commence cleanup and rescue operations, and an alleged misuse of employee time and the charging of unused equipment by an EPA contractor.

Small Business Administration (SBA)

The SBA has one open fraud case from an initial pool of five referrals. Most of the referrals focus on allegations involving companies soliciting loan fees from disaster victims to assist them in packaging SBA disaster loan applications.

Social Security Administration (SSA)

The Social Security Administration has opened eight investigations and closed one investigation out of its 30 allegations of potential fraud involving Hurricanes Katrina and Rita. Four of the seven open investigations relate to the misuse of a Social Security number, and the three remaining cases relate to potential disability program fraud.

Training

As part of the federal government's effort to prevent fraud, waste, and abuse in the Gulf Coast region, agency IGs have launched training programs to increase fraud awareness. These programs are part of an effort to educate and train personnel involved in the contracting and procurement process. Programs range from the dissemination of fraud awareness posters, cards, and pamphlets to group briefings both within the federal agency and as part of an outreach program aimed at state and local procurement officials.

Section VI. Inspections



Pearlington, MS, October 27, 2005 — New well pumps are delivered to Pearlington, MS where many well pumps were destroyed. Pearlington, the western most city on the coast of Mississippi, was severely affected by Hurricane Katrina. (FEMA/Mark Wolfe)

INSPECTIONS

In the 90 days following the Hurricane Katrina disaster, federal agencies have begun to examine their performance during the response and recovery phase of the disaster. In an effort to improve future agency performance, the Department of Homeland Security (DHS) Office of Inspector General (OIG) and Health and Human Services (HHS) OIG have already commissioned initial, internal inspections on hurricane preparedness, response, and recovery. The number of internal inspections and studies is expected to grow as agency personnel numbers increase in field locations and as managers gain greater distance from the earlier phases of hurricane response to embark on the task of recovery.

Department of Homeland Security

Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina

The review will assess Federal Emergency Management Agency (FEMA) performance in conducting its disaster management responsibilities in response to Hurricane Katrina from pre-landfall to September 30, 2005. It will encompass three of the four major phases of disaster management, preparedness, response, and recovery, as well as the management of certain emergency support functions, including:

- Emergency management
- Mass care, housing, and human services
- Urban search and rescue
- External affairs.

The inspectors will determine whether the laws, regulations, policies, procedures, plans, guidelines, and resources were adequate and operational, and whether FEMA's organizational structure enhanced or hindered its emergency management capabilities. The draft report is due on January 31, 2006.

Department of Health and Human Services

The Department of Health and Human Services Office of the Inspector General (HHS OIG) is conducting these ongoing inspections:

Nursing Home Evacuation Planning and Execution

OEI-06-06-00020

The purpose is to examine to what extent plans were executed for facilities that evacuated or considered evacuation and lessons learned from these facilities in planning and preparing for future emergencies.

The design is complete and staff recently finished an entrance conference with Centers for Medicare and Medicaid staff, including Nursing Home Survey and Certification, as well as regional staff from the Gulf States. The HHS is currently pilot testing instruments used to collect data and will conduct fieldwork in January and February 2006.

Review of Commissioned Corps Deployment in Response to Hurricane Katrina

OEI-09-06-00030

The purpose is to determine whether the U.S. Public Health Service Commissioned Corps has achieved its goal to be 100 percent deployable.

HHS OIG staff has completed an entrance conference with program staff at Office of Public Health Emergency Preparedness, the Assistant Secretary for Health, and the Office of the Surgeon General. Design is expected to be complete in early January 2006 with data collection to follow throughout the winter.

Katrina Related Medical Review Contract

OEI-05-06-00140

The purpose is to identify whether payments made for medical service and equipment for Medicaid beneficiaries were appropriate.

HHS OIG is currently conducting meetings with Centers for Medicare and Medicaid Services and FEMA to refine the scope of this series of inspections and is attempting to identify data that will be available through both the Centers and FEMA on payment of medical benefits to hurricane victims. In particular, the review will look at the possibility of duplicate payments by the Centers and FEMA. Scoping work is expected to be complete in early winter 2006.

Reviewing the Use of Purchase Cards in Response to Hurricane Katrina

OEI-07-06-00150

The purpose is to evaluate use of International Merchant Purchase Authorization Cards by HHS personnel and to determine compliance with agency spending guidelines and procedures.

HHS OIG is currently developing the design and conducting preliminary analysis while working with HHS to obtain all required data.

APPENDIX A

The President's Council on Integrity and Efficiency Homeland Security Roundtable – “Compendium of OIG Hurricane Oversight in the Gulf States”

Dated December 12, 2005

DHS-OIG compiled this compendium of federal Inspectors General activities in the oversight of hurricane disaster response and recovery in the U.S. Gulf Coast region.

**President's Council on Integrity and Efficiency
Homeland Security Roundtable**

**Compendium of OIG Hurricane
Oversight in the Gulf States**



December 12, 2005

Office of Inspector General

U.S. Department of Homeland Security
Washington, DC 20528



Homeland Security

On August 29, 2005, Hurricane Katrina dealt unprecedented amounts of damage to Louisiana, Mississippi, and Alabama. Congress quickly appropriated more than \$62 billion to the Department of Homeland Security and Department of Defense for an immediate relief effort. Many of these funds were, in turn, tasked to other federal departments and agencies. In addition, some departments have initiated separate programs addressing their particular areas of responsibility.

Congress is concerned that such emergency circumstances provide the opportunity for fraud and mismanagement that would deprive the affected individuals the full benefit of the funds to be spent on the recovery and will rely upon the Inspectors General as a principal line of defense against such fraud and abuse. Congress and the Inspectors General recognize that coordination of efforts is critical to effectiveness when numerous OIGs are responsible for the oversight of related programs, especially when the work is to be performed in a short timeframe under complex conditions.

In early 2005, the President's Council on Integrity and Efficiency (PCIE) had already established a special working group to address homeland security audit and investigative issues chaired by the Inspector General for the Department of Homeland Security. It was natural for this working group to take the lead in coordinating the efforts of the various OIGs as they mobilized to provide support and oversight for billions of dollars of efforts being undertaken by their departments.

The attached Compendium is part of the PCIE homeland security working group's efforts to promote coordination among the participating OIGs and maximize the economy and effectiveness of those efforts. The Compendium presents an overview of the audit and investigation efforts being undertaken by the participating OIGs and also presents a brief description of each OIG's plans as envisioned by their executives.

On behalf of the Inspector General community, DHS-OIG is pleased to have compiled this compendium of collective OIG's activities in the oversight of hurricane disaster response and recovery in the Gulf Coast region and appreciates the efforts of all involved.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

APPENDIX A

SBA	Small Business Administration
SSA	Social Security Administration
TIGTA	Treasury Inspector General for Tax Administration
USDA	United States Department of Agriculture
USPS	United States Postal Service
VA	Department of Veterans Affairs

APPENDIX A

SBA	Small Business Administration
SSA	Social Security Administration
TIGTA	Treasury Inspector General for Tax Administration
USDA	United States Department of Agriculture
USPS	United States Postal Service
VA	Department of Veterans Affairs

Introduction and Background

The purpose of this compendium is to summarize the ongoing and planned activities of the Inspectors General community in their oversight of response and recovery efforts related to Hurricane Katrina. The compendium includes the activities of those OIGs whose Departments were part of the initial response phase or have received significant mission assignments from FEMA. Additional OIG offices may be included in the compendium in the recovery phase.

In many cases reviews conducted by OIG staff have subsequently expanded to provide oversight of response and recovery efforts related to Hurricanes Rita and Wilma. In such cases summaries of these broader scoped efforts are also included in this compendium.

In response to the unprecedented damage caused by Hurricane Katrina, FEMA 1) made mission assignments totaling approximately \$7.4 billion, with over \$3.5 billion for the Corps of Engineers and over \$2.2 billion for other elements of DOD; 2) entered into contracts totaling over \$1.6 billion with the private sector to assist in the cleanup effort; and, 3) made public assistance grants to affected states totaling approximately \$1.0 billion.

To answer the call for OIG oversight of these massive and complex activities, the OIGs whose departments and agencies are involved in the various efforts have assigned extensive staff resources to a variety of assignments. To date the OIGs, collectively, have committed over 350 auditors, investigators, and inspectors to this combined effort. DHS-OIG has already assigned 60 auditors, investigators, and inspectors to Hurricane Katrina related work and expects to expand this effort to approximately 150 staff in the coming months. Many of DHS-OIG's personnel are already on the ground at FEMA headquarters and at the Joint Field Offices (JFOs) in Louisiana, Mississippi, and Alabama. DHS-OIG will leverage its efforts with those of the state and local audit organizations in the affected states. Already, Louisiana's Legislative auditor and Inspector General have dedicated 36 auditors to review the transactions of that state's Office of Emergency Preparedness. Within DOD the Army Audit Agency, the Naval Audit Service, the Air Force Audit Agency, the Defense Contract Audit Agency, and the DOD criminal investigative organizations will devote a cadre of over 145 auditors, investigators, and inspectors to providing immediate oversight of DOD contracts, grants, and operations related to Hurricane Katrina relief efforts. Other OIGs and the Government Accountability Office (GAO) also have staff involved in the conduct of oversight and investigative activities related to the response and recovery efforts on-site and in headquarters units.

The oversight activities of the various organizations involved will need to be closely coordinated to maximize the scope and effectiveness of the work performed and minimize disruptions to the response and recovery efforts. The Inspectors General involved in these efforts have coordinated their oversight activities through the PCIE Homeland Security Roundtable and the overall effort is being coordinated with the GAO.

Objective, Scope, and Methodology

The overriding objective of the OIGs' oversight plan is to ensure accountability and prevent problems from occurring. Our plans focus heavily on prevention, including reviewing internal controls; monitoring and advising department officials on precedent-setting decisions, contracts, grants, and purchase transactions before they are finalized; and meeting with applicants, contractors, and grantees to advise them of their fiduciary responsibilities and assess their capability to account for the funds. The plans also encompass an aggressive and ongoing audit and investigative effort designed to ensure that disaster relief funds are being spent wisely and to identify fraud, waste, and abuse as early as possible.

We will evaluate internal controls over program and grant management, contract and procurement, and property and equipment management to ensure accountability of funds expended and the safeguarding of assets. We will also assess management controls over purchase card transactions and micro-purchase transactions. We will verify the validity of these transactions through selective testing.

We will investigate allegations of fraud, waste, and abuse and monitor Hotline Complaints, prioritize them, and assess their validity.

Our OIG oversight also incorporates conducting special reviews of areas that are unique to certain agencies, such as the reconstruction of NASA space facilities.

Summary of OIG Oversight Plans

The matrix beginning on page 5 summarizes the audit and investigative oversight efforts that are planned by OIG's at multiple agencies as well as significant efforts that are unique to individual agencies. This matrix is linked to Appendix A which briefly describes each individual OIG's efforts as reported to the PCIE roundtable.

Matrix of OIG Plans Areas of Examination	Objectives	D H S	D O C	D O D	D O E	D O I	D O J	D O L	D O T	E P A	G S A	H H S	H U D	N A S A	S B A	S S A	T I G I A	U S D A	U S P S	V A
DOD Obligations and Expenditures	Determine whether DOD's obligations and expenditures related to the reconstruction effort are efficiently executed.		X																	
SINGLE AGENCY REVIEWS																				
Air Force Funds Control	Review DOD's Air Force procedures for receiving and disbursing funds in support of disaster relief operations.			X																
SBA Disaster Credit Management	Review the implementation of SBA's Disaster Credit Management System.														X					
GSA Properties	Assess GSA's response to the hurricane as the landlord of the affected properties										X									
Tax Relief Issues	Assess relaxation of tax enforcement actions and oversight of tax exempt organizations involved with hurricane relief. Determine how the IRS' Underreporter Program handled tax relief cases and whether relief codes and were input and maintained for impacted taxpayers.																X			
Tax Payer Data	Determine whether sensitive taxpayer data was adequately protected.																X			
Tax Returns	Evaluate whether the IRS has addressed hurricane relief issues in its updates to forms, publications, and computer systems, and in its other preparations for the tax filing season.																X			
MULTI-AGENCY INVESTIGATIONS																				
Hot Line Complaints	Assess and investigate allegations of fraud, waste, and abuse within agency programs and operations.	X																		X

Compendium of OIG Hurricane Oversight in the Gulf States

Acknowledgements

We appreciate all those who contributed to this Compendium. We had the opportunity to work with OIGs from the following departments and agencies:

Department of Commerce
Department of Defense
Department of Energy
Department of Interior
Department of Health and Human Services
Department of Housing and Urban Development
Department of Justice
Department of Labor
Department of Transportation
Department of Veterans Affairs
Environmental Protection Agency
General Services Administration
National Aeronautics and Space Administration
Small Business Administration
Social Security Administration
Treasury Inspector General for Tax Administration
U.S. Department of Agriculture
United States Postal Service

We also appreciate the participation of the Executive Council on Integrity and Efficiency and the Government Accountability Office in coordinating communications and other efforts among the various federal OIGs.

APPENDIX A

Appendix A: Individual OIG Oversight Plans

DHS

A Special Inspector General (SIG) for Gulf Coast Hurricane Recovery Oversight will manage the overall effort on a full time basis for the Department. The SIG will be supported by a core group of DHS auditors, investigators, and inspectors with FEMA experience who are well positioned and prepared to provide immediate and continuing oversight of contracts, grants, and operations related to hurricane relief efforts.

Auditors are monitoring operations at the FEMA Emergency Operations Center (EOC) and will stay current on all disaster relief operations and provide on-the-spot advice. Our objective in this effort is to help DHS officials appropriately consider internal controls and the potential ramifications of their precedent setting decisions as emergency response and recovery activities continue. Specific oversight activities will include:

- Providing oversight of Joint Field Offices (JFOs) operations,
- Reviewing major contracts and expanded micro-purchase authority,
- Continuously monitoring financial controls,
- Auditing of public assistance projects,
- Reviewing supporting documentation for mission assignments, and
- Conducting a performance review of FEMA's disaster management activities in response to Hurricane Katrina,
- Review of FEMA's property management,
- Review of FEMA's temporary housing/IHP program.

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DOC

The Department of Commerce (DOC) OIG's overall objectives in its audit plan are to:

- Verify that transactions are authorized and valid,
- Verify whether the Department receives goods or services under contract, and
- Ensure problems are prevented (versus problems are uncovered).

[Return to Matrix](#)

DOD

The Department of Defense (DOD) OIG's overall objectives are to:

- Review the internal controls, procurement controls, and oversight of the DOD contracts used for the Hurricane Katrina recovery effort;
- Review DOD purchase card transactions authorized by Section 101 of the Second Emergency Supplemental Appropriations Act;

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- Evaluate the use of Title 10 and Title 32 military forces, DoD civilian personnel supporting the relief efforts, and the impact on the readiness and logistics support provided by DOD;
- Determine the effects of Hurricane Katrina on DoD information technology resources in the affected areas;
- Determine whether DoD obligations and expenditures related to the Hurricane Katrina reconstruction effort are timely and efficiently executed and in accordance with applicable laws and regulations;
- Review Air Force procedures for receiving and disbursing funds in support of Hurricane Katrina relief operations, and tracking and requesting FEMA reimbursements; and
- Investigate fraud abuse, corruption, and other crimes associated with the expenditure of DOD funds for response and recovery efforts related to Hurricane Katrina.

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DOE

The Department of Energy (DOE) OIG's overall objectives are to:

- Determine whether DOE's response to Hurricanes Katrina and Rita fulfilled its responsibilities under the Department of Homeland Security's National Response Plan;
- Ensure that appropriated funds are used for their intended purposes and comply with applicable procurement standards; and,
- Investigate allegations of fraud involving DOE-funded projects.

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DOI

Department of Interior (DOI) OIG's overall objectives within its audit plans are to:

- Review the award and administration of major DOI funded contracts and DOI's implementation of expanded micro-purchase authority to ensure that appropriate federal acquisition regulations are being adhered to, and expenditures are necessary and reasonable.
- Provide oversight of DOI's control environment, financial and operational processes, and the effectiveness of internal controls to identify financial reporting issues early. Under this effort, we will identify, document, and test internal controls for operating effectiveness

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Appendix A: Individual OIG Oversight Plans

DOJ

Department of Justice's (DOJ's) OIG's overall objectives in its audit plan are to:

- Verify that transactions are authorized and valid
- Verify the Department receives the good or services under contract
- Ensure problems are prevented (versus problems are uncovered).

[Return to Matrix](#)

DOL

The Department of Labor will receive funding (currently approximately \$21 million) from FEMA to support OSHA's responsibilities for one annex of the National Emergency Response Plan. In addition, the Department has two programs that are significantly impacted as a result of the hurricanes: the State-Federal unemployment insurance program and the WIA program. As of October 13, states in the affected areas have been provided over \$48 million for Disaster Unemployment Assistance (DUA) for those unemployed not covered by regular unemployment insurance. The Department has awarded \$203 million in National Emergency Grants to provide more than 20,000 temporary jobs and other assistance, and awarded \$44 million in grants to expand the capacity for processing unemployment insurance claims.

Generally, the DOL OIG will work with state and local auditors responsible for oversight of Federal funds as well as conduct its own audit work to ensure adequate monitoring and oversight of DOL funded programs as described above. The DOL OIG will also work with other Federal OIGs to ensure coordination with the combined Federal response. Our primary emphasis will be on prevention, but we are prepared to aggressively audit and investigate allegations of waste, fraud, and abuse.

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DOT

The Department of Transportation (DOT) OIG's overall objective in its oversight plan is to prevent fraud, waste, and abuse and detect and prosecute fraud. In addition, the OIG plans to confirm the effectiveness of increased Departmental and State Departments of Transportation oversight and apprise the Secretary and Congress of its findings. Specifically, the OIG will:

- Verify whether expenditures of Federal funds on transportation services and programs are being appropriately tracked by the Operating Administrations, as required by the Assistant Secretary for Budget and Programs and Chief Financial Officer;

APPENDIX A

Appendix A: Individual OIG Oversight Plans

- Proactively ensure that Operating Administrations and State Departments of Transportation exercise adequate oversight of Department expenditures and put systems in place to make certain funds are appropriately spent;
- Audit selected projects, grants, and contracts;
- Conduct fraud awareness and prevention activities to alert Federal, state, and local government agencies; and
- Investigate allegations of fraud involving transportation-funded projects, to include presenting cases to the Department of Justice for prosecution, participating in resulting prosecutions, and ensuring that the Operating Administrations and states take appropriate suspension and debarment actions

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EPA

Environmental Protection Agency (EPA) OIG's overall objectives in this area are to determine whether EPA:

- Adequately designed and effectively implemented controls for authorizing, awarding, documenting, and approving expenditures;
- Paid a reasonable price for goods and services obtained;
- Adequately safeguarded purchased assets; and
- Provided quality and timely information relative to the safety of individuals and the environment; and whether and how the information is being used by affected states and other regulatory agencies in their response efforts. This work will focus in the areas of drinking water, wastewater, oil spills, Superfund sites, other hazardous materials, and management of hurricane debris.

Additionally, EPA-OIG investigators will coordinate with the respective Federal, state, and local law enforcement agencies.

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GSA

The General Services Administration (GSA) OIG's overall objective is to determine how effectively GSA responded to Hurricane Katrina. It will look at how the agency assisted FEMA in providing timely relief to the victims of the hurricane. Additionally, the OIG will assess the agency's performance as the landlord for the Federal agencies in the affected areas. More specifically, the OIG will assess whether:

- Proper management controls were implemented, and how well these management controls are operating to protect against fraud, waste, and abuse;

Compendium of OIG Hurricane Oversight in the Gulf States

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- Transactions were authorized, valid, reasonably priced, and complied with appropriate regulations; and
- GSA adequately responded to safeguard physical assets and tenant agencies' needs.

Additionally, OIG investigators will coordinate with the respective Federal, state, and local law enforcement agencies.

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HHS

The Department of Health and Human Services (HHS) OIG's overall objectives in its audit plan are to:

- Ensure that funds were used for valid and authorized transactions that comply with appropriate procurement standards,
- Verify if the goods and services procured were delivered, and
- Ensure that problems were prevented rather than identified after the fact.

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HUD

The Department of Housing and Urban Development (HUD) OIG's overall objectives in its audit plans are to:

- Conduct a risk assessment of the overall financial and procurement controls prior to implementation to ensure the necessary controls are built into the process;
- Evaluate the selected organization's control process for distributing funding to the various CDBG grantees, Public Housing Agencies, and housing vouchers;
- Evaluate the proposed plan to reduce regulatory requirements for HUD administered programs that already allocate or expect to allocate funds to the affected areas;
- Perform a risk analysis of the rebuilding and revitalization plan for the affected areas; and
- Assess, evaluate and make recommendations for the proposed development corporation structure.

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Appendix A: Individual OIG Oversight Plans

NASA

National Aeronautics and Space Administration (NASA's) overall objectives are to:

- Determine whether NASA has established the necessary internal controls to manage Hurricane Katrina recovery and reconstruction efforts, and
- Evaluate NASA's estimating and execution of Hurricane Katrina funds and the processes, i.e., controls, used to ensure that those funds were used for their intended purposes.

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SBA

The Small Business Administration (SBA) OIG's overall objectives in its audit plans are to:

- Determine if SBA's Disaster Credit Management System (DCMS) is performing in accordance with its business process design criteria and other requirements established in SBA policies, applicable laws and regulations;
- Assess DCMS conversion plans and tests to ensure all new disaster loans are properly recorded and accounted for and identify any loan processing bottlenecks hampering the effective and timely delivery of services;
- Evaluate SBA's disaster loan making and servicing processes and assess whether loan proceeds are used for relief to victims who are eligible to receive small business and home loans;
- Review a selected sample of loans to determine the effectiveness of the processes for originating, servicing, and liquidating disaster assistance loans in accordance with applicable laws and regulations; and
- Identify potential operational issues hampering the effective delivery of services, internal controls, and loan processing.

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SSA

The Social Security Administration (SSA) OIG Office of Audit has initiated a review to report on the status of SSA service delivery to individuals affected by Hurricanes Katrina and Rita. As part of this review we will assess SSA's plans to ensure that payments made under emergency procedures were appropriate and properly safeguarded.

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Appendix A: Individual OIG Oversight Plans

SSA's service delivery to recipients and beneficiaries is vital to the region's recovery. As part of its immediate response to the disaster, SSA temporarily changed or eliminated several control procedures to ensure continued benefit payments in the affected area. We will assess SSA's plans to ensure that payments made are proper and that controls are sufficient to safeguard against fraud, waste, and mismanagement.

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TIGTA

The Treasury Inspector General for Tax Administration (TIGTA) has substantial work underway to address the tax relief extended to hurricane victims to include a review to ensure enforcement actions (tax collection return examinations) are not being conducted in zip codes affected by Hurricanes Katrina and Rita and a review of the Exempt Organizations Function's oversight of tax exempt organizations involved with Hurricanes Katrina and Rita relief. Exempt Organizations oversees 1.6 million tax exempt organizations that control approximately \$1.8 trillion in assets.

We are reviewing information systems to determine whether sensitive taxpayer data was adequately protected. With regard to preparation for the tax filing season, we are conducting reviews determine whether the IRS has addressed hurricane relief issues in its updates to tax forms, publications, and computer systems, in its toll-free-telephone system, and in its other preparations for the tax filing season.

We are also conducting reviews to determine how effectively IRS' Underreporter Program handled disaster relief cases, and whether disaster relief codes and associated freezes were input and effectively maintained for impacted taxpayers.

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USDA

The United States Department of Agriculture (USDA) OIG has developed a coordinated plan, utilizing audits, investigations, and special reviews to prevent and address fraud, waste, and abuse in hurricane response and recovery efforts. Short, intermediate, and long term objectives have been established. Areas of emphasis include reviewing controls; monitoring and advising department officials on contract, grants, and purchase transactions; and responding aggressively when fraud or abuse is discovered. Efforts underway include:

- Assessing Forest Service controls over the delivery of hurricane relief assistance (FEMA mission assignments) to ensure that the contracting and delivery of disaster relief assistance is safeguarded from fraud, waste, and abuse;

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Appendix A: Individual OIG Oversight Plans

- Reviewing the effectiveness of controls to prevent improper Disaster Food Stamp program payments in disaster and evacuee States to include (1) identifying and evaluating controls to prevent duplicate payments both within States and across States and (2) reviewing States' controls to prevent possible employee fraud and collusion to obtain improper benefits; and
- Identifying and evaluating controls over the replacement of Electronic Benefit Transfer terminals.

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USPS

The United States Postal Service (USPS) OIG's overall objectives in its audit plans are to:

- Assess whether transactions were authorized and valid,
- Verify if contracts were appropriate,
- Ascertain if assets were safeguarded and secure, and
- Ascertain if the U.S. Mail was processed, transported and delivered, and issues were identified and corrected.

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VA

The Department of Veterans Affairs Office of Inspector General will conduct an audit of planning, response, and recovery efforts for the Gulf Coast Hurricanes Katrina and Rita by the Veterans Health Administration, Veterans Benefits Administration, and the National Cemetery Administration. The purpose of the audit is to assess:

- Management controls over contract and procurement activities,
- Controls to reestablish healthcare and benefit delivery to veterans, and
- Quality of care issues resulting from the evacuation.

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APPENDIX B

Hurricane Recovery Funding Bills

Appendix B provides copies of the two bills, signed into public law, which made emergency funding available to meet immediate needs arising from the consequences of Hurricane Katrina. These are both supplemental appropriations, for the Fiscal Year ending September 30, 2005.

1. HR 3645 became Public Law 109-61 on September 2, 2005.
2. HR 3673 became Public Law 109-63 on September 9, 2005.

H. R. 3645

One Hundred Ninth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the fourth day of January, two thousand and five*

An Act

Making emergency supplemental appropriations to meet immediate needs arising from the consequences of Hurricane Katrina, for the fiscal year ending September 30, 2005, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2005, namely:

DEPARTMENT OF HOMELAND SECURITY

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

For an additional amount for “Disaster Relief”, \$10,000,000,000, to remain available until expended: *Provided*, That the amount provided herein is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$500,000,000 for emergency hurricane expenses, to support costs of evacuation, emergency repairs, deployment of personnel, and other costs resulting from immediate relief efforts, to remain available until September 30, 2006: *Provided*, That the Secretary of Defense may transfer these funds to appropriations for military personnel, operation and maintenance, procurement, family housing, Defense Health Program, and working capital funds: *Provided further*, That funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation or fund to which transferred: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense

H. R. 3645—2

shall, not more than 5 days after making transfers from this appropriation, notify the congressional defense committees in writing of any such transfer: *Provided further*, That the amount provided herein is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

This Act may be cited as the “Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

H. R. 3673

One Hundred Ninth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the fourth day of January, two thousand and five*

An Act

Making further emergency supplemental appropriations to meet immediate needs arising from the consequences of Hurricane Katrina, for the fiscal year ending September 30, 2005, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2005, namely:

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$1,400,000,000 for emergency hurricane expenses, to support costs of evacuation, emergency repairs, deployment of personnel, and other costs resulting from immediate relief efforts, to remain available until September 30, 2006: *Provided*, That the Secretary of Defense may transfer these funds to appropriations for military personnel, operation and maintenance, procurement, family housing, Defense Health Program, and working capital funds: *Provided further*, That not to exceed \$6,000,000 may be transferred to “Armed Forces Retirement Home” for emergency hurricane expenses: *Provided further*, That funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation or fund to which transferred: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense shall, not more than 5 days after making transfers from this appropriation, notify the Committees on Appropriations in writing of any such transfer: *Provided further*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

H. R. 3673—2

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE

For an additional amount for “Operation and Maintenance” for emergency expenses for repair of storm damage to authorized projects in the Gulf states affected by Hurricane Katrina, \$200,000,000, to remain available until expended: *Provided*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide, at a minimum, a weekly report to the Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than September 15, 2005: *Provided further*, That the amount provided herein is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for “Flood Control and Coastal Emergencies”, as authorized by section 5 of the Flood Control Act of August 16, 1941 (33 U.S.C. 701), for emergency expenses for repair of damage to flood control and hurricane shore protection projects in the Gulf states caused by Hurricane Katrina, \$200,000,000, to remain available until expended: *Provided*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide, at a minimum, a weekly report to the Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than September 15, 2005: *Provided further*, That the amount provided herein is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

DEPARTMENT OF HOMELAND SECURITY

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for “Disaster Relief”, \$50,000,000,000, to remain available until expended: *Provided*, That up to \$100,000,000 may be transferred to and merged with “Emergency Preparedness and Response, Public Health Programs” for the National Disaster Medical System to support medical care as authorized by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (42 U.S.C. 300hh–11): *Provided further*, That \$15,000,000 shall be transferred to and merged with “Departmental Management and Operations, Office of Inspector General” for necessary expenses of the Office of Inspector General for audits and investigations as authorized by law for Hurricane Katrina response and recovery activities: *Provided further*, That the Secretary of Homeland Security shall provide, at a minimum, a weekly report to the Committees on Appropriations detailing the allocation and obligation of these funds,

H. R. 3673—3

beginning not later than September 15, 2005: *Provided further*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

GENERAL PROVISION

SEC. 101. For procurements of property or services determined by the head of an executive agency to be used in support of Hurricane Katrina rescue and relief operations—

(1) the emergency procurement authority in subsection 32A(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428a(c)) may be used; and

(2) the amount specified in subsections (c), (d), and (f) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) shall be \$250,000.

This Act may be cited as the “Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

APPENDIX C

Hurricane Oversight-related Hearing Appearances (as of November 30, 2005)

This appendix provides a list of hurricane oversight-related appearances by IGs before Congress during this reporting period.

Hurricane Oversight-Related Congressional Hearing Appearances (as of November 30, 2005)		
Date	Committee/Subcommittee	Subject
September 28, 2005	House Committee on Energy and Commerce - Subcommittee on Oversight and Investigations OIG witnesses: HHS, DoC, DoD (acting), EPA, FCC, DoE, DHS	OIG Oversight Plans Regarding Hurricane Katrina Relief and Recovery
October 6, 2005	House Transportation and Infrastructure Committee - Subcommittee on Economic Development, Public Buildings and Emergency Management OIG witness: DHS	Recovering After Katrina: Ensuring that FEMA is up to the Task
October 6, 2005	House Appropriations Committee - Subcommittee on Homeland Security OIG witness: DHS	Katrina Oversight
October 17, 2005	Subcommittee on Oversight, House Committee on Ways and Means OIG witness: TIGTA	TIGTA audit on the IRS Exempt Organizations oversight of tax exempt organizations involved with Katrina and Rita relief
November 2, 2005	House Select Bipartisan Committee to Investigate the Preparations for and Response to Hurricane Katrina OIG witness: DHS	The role of Federal agency contracting in disaster preparedness and response

Source: Department of Homeland Security, U.S. Congress

A selection of prepared testimony by OIG officials is available on the World Wide Web at [http://www.dhs.gov/dhspublic/interapp/editorial/Copy_\(2\)_of_editorial_0334.xml](http://www.dhs.gov/dhspublic/interapp/editorial/Copy_(2)_of_editorial_0334.xml)

APPENDIX D

Federal Emergency Management Agency (FEMA) Gulf Coast Hurricane Mission Assignments For All Three Storms

This appendix provides the mission assignments or funding allotments from FEMA, for all storms (Katrina, Wilma, and Rita, respectively) to other agencies.

APPENDIX D

Department / Agency	Katrina Mission Assignments	Rita Mission Assignments	Wilma Mission Assignments	Total Hurricane Mission Assignments
DHS	\$380,848,884	\$57,150,685	\$30,681,512	\$468,681,081
AID	\$17,309,000			\$17,309,000
APHIS	\$340,000	\$20,000		\$360,000
ARC	\$55,000	\$40,000		\$95,000
BIA		\$317,600		\$317,600
BUREC	\$1,089,000	\$1,000,000		\$2,089,000
CIA			\$200,000	\$200,000
CDC	\$17,903,500	\$5,000,000		\$22,903,500
CNCS	\$2,915,500	\$240,000	\$1,250,000	\$4,405,500
COE-LRD	\$15,000			\$15,000
COE-MVD	\$3,458,952,152	\$268,825,000		\$3,727,777,152
COE-SAD	\$196,705,000	\$155,000	\$293,522,000	\$490,382,000
COE-SWD		\$281,280,000		\$281,280,000
DHUD	\$82,525,000	\$95,000		\$82,620,000
DOC	\$350,000		\$200,000	\$550,000
DOD	\$1,636,102,389	\$68,351,000	\$3,550,000	\$1,708,003,389
DOE	\$390,000	\$60,000	\$55,000	\$505,000
DOED	\$255,000			\$255,000
DOI	\$548,400	\$5,000		\$553,400
DOL	\$325,000			\$325,000
DOS	\$55,000			\$55,000
DOT	\$421,306,213	\$52,910,000	\$20,083,000	\$494,299,213
EEOC	\$200,000			\$200,000
EPA	\$317,714,200	\$43,045,000	\$440,000	\$361,199,200
FAA	\$0			\$0
FCC	\$200,000			\$200,000
FCSIC	\$200,000			\$200,000
FMSHRC	\$200,000			\$200,000
FNS	\$20,000			\$20,000
GSA	\$87,143,291	\$540,000	\$130,000	\$87,813,291
HHS	\$257,586,800	\$93,690,000	\$9,395,000	\$360,671,800
MSPB	\$2,000			\$2,000
NAR	\$625,000			\$625,000
NASA	\$450,000			\$450,000
NCPC	\$20,000			\$20,000
NCUA	\$0			\$0

APPENDIX D

Department / Agency	Katrina Mission Assignments	Rita Mission Assignments	Wilma Mission Assignments	Total Hurricane Mission Assignments
NGA	\$400,000	\$50,000		\$450,000
NLRB	\$210,000			\$210,000
NOAA	\$1,650,000	\$2,790,000	\$115,000	\$4,555,000
NPS	\$157,000			\$157,000
NRC	\$200,000			\$200,000
NSF	\$200,000			\$200,000
OPM	\$615,000			\$615,000
OSHA	\$21,225,000			\$21,225,000
RRB	\$25,000			\$25,000
SBA	\$200,000			\$200,000
SCS	\$11,800			\$11,800
SEC	\$2,000			\$2,000
SSA	\$225,000		\$200,000	\$425,000
TREAS	\$360,000	\$20,000		\$380,000
TVA	\$5,373,622	\$1,500,000		\$6,873,622
USDA	\$12,183,500	\$6,470,000	\$330,000	\$18,983,500
USDJ	\$53,579,600		\$45,000	\$53,624,600
USFS	\$179,545,288	\$180,905,000	\$5,580,000	\$366,030,288
USGS	\$279,119	\$44,000	\$2,500	\$325,619
USPC	\$15,150,291	\$1,000,000		\$16,150,291
USPHS	\$50,000			\$50,000
USPS	\$3,015,000			\$3,015,000
VA	\$75,000	\$10,000,000		\$10,075,000
TOTAL	\$7,177,083,549	\$1,075,503,285	\$365,779,012	\$8,618,365,846

Source: December 2, 2005 Federal Emergency Management Agency (FEMA) Weekly Report on 2005 Emergency Supplemental Legislation for hurricane recovery

APPENDIX E

Private Donations for Hurricane Katrina Victims

This appendix provides information relative to private donations from individuals, foundations and corporations, for Hurricanes Katrina relief and recovery.

Immediately following hurricane Katrina, Indiana University's Center on Philanthropy began tracking charitable support from the United States for relief efforts in the Gulf States. The totals below presents information about U.S. philanthropic organizations and the amount of gifts received for relief efforts for both hurricanes Katrina and Rita from individuals, corporations, and foundations. It does not include the aid delivered or pledged by the U.S. government. It includes information gathered from publicly reported sources, such as news media accounts and Web sites and e-mail confirmations from organizations' staff. The listing does not contain every organization raising funds for relief.

The tally includes the amount reported in cash donations, donations made from organizations' reserves, in-kind gifts, in-kind description, fundraising goals, and the source of information.

Total private Donations for Hurricanes Katrina and Rita (Individuals, Foundations, and Corporations) as of December 16, 2005	
Total Cash Donations (Katrina only, or combined Katrina & Rita)	\$2,933,106,438
Total In-Kind	161,124,000
Total from Reserves	26,381,150
Total Pledges Outstanding	2,840,000
Total	\$3,123,451,588

Source: University of Indiana Center on Philanthropy

APPENDIX F

Hurricane Declaration by Major Object Class Funding

This appendix provides the Federal Emergency Management Agency's declaration of funding by major object class, for each of three storms, Katrina, Wilma and Rita, respectively.

The source of the following three charts is the December 2, 2005 Federal Emergency Management Agency (FEMA) Weekly Report on 2005 Emergency Supplemental Legislation for hurricane recovery.

APPENDIX F

KATRINA DECLARATIONS BY MAJOR OBJECT CLASS

PROGRAM AREA	PROGRAM NAME	ALLOCATIONS	UNOBLIGATED COMMITMENTS	OBLIGATIONS	UNOBLIGATED ALLOCATIONS(c)	UNLIQUIDATED OBLIGATIONS	EXPENDITURES	ALLOCATION AVAILABLE
1-HUMAN SERVICES	2503-UNEMPLOYMENT	188,957,048	0	188,952,248	4,800	0	188,952,248	4,800
	2504-CRISIS COUNSELING-NIMH	1,983,687	0	0	1,983,687	0	0	1,983,687
	2576-LEGAL SERVICES	92,000	75,600	5,000	87,000	5,000	0	11,400
	2592-INSPECTIONS	175,804,570	72,133,060	103,671,510	72,133,060	60,354,389	43,317,121	0
	4149-OTHER NEEDS ASSISTANCE	975,987,205	0	975,987,205	0	106,610,891	869,376,314	0
	414X-HOUSING ASSISTANCE	3,788,008,827	0	3,778,008,827	10,000,000	499,694,876	3,278,313,951	10,000,000
	4152-CRISIS COUNSELING-SCC	37,997,442	0	22,649,999	15,347,443	15,347,443	3,124,371	15,347,443
	MANUFACTURED HOUSING	4,154,427,137	1,140,034,117	2,992,571,427	1,161,855,710	2,281,398,741	711,172,686	21,821,593
	1-HUMAN SERVICES Total	9,323,257,917	1,212,242,777	8,061,846,216	1,261,411,701	2,967,589,524	5,094,256,692	49,168,923
	2-INFRASTRUCTURE	2594-INSPECTIONS	118,066,400	28,292,500	88,733,100	29,333,300	86,359,004	2,374,096
416X-PUBLIC ASSISTANCE		2,322,937,999	0	2,218,840,560	104,097,439	1,363,477,216	855,363,344	104,097,439
2-INFRASTRUCTURE Total	2,441,004,399	28,292,500	2,307,573,660	133,430,739	14,489,836,220	857,737,439	105,138,239	
3-MITIGATION	18,949,721	900,311	14,449,410	4,500,311	14,283,931	165,479	243,506	0
	3-MITIGATION Total	19,193,227	900,311	14,692,916	4,500,311	14,283,931	408,985	3,600,000
4-OPERATIONS	2507-MISSIONS-TA	28,708,256	0	26,690,056	2,018,200	26,478,136	211,920	2,018,200
	2508-MISSIONS-DFA	4,522,751,095	0	4,310,336,153	212,414,942	4,301,711,729	8,624,424	212,414,942
4-OPERATIONS Total	4,551,459,351	0	4,337,026,209	214,433,142	4,328,189,864	8,836,344	214,433,142	
5-ADMINISTRATION	11XX-SALARIES & BENEFITS	121,068,529	0	137,018,356	(15,949,827)	0	137,018,356	(15,949,827)
	21XX-TRAVEL	127,034,604	2,231,688	119,047,606	7,986,998	49,518,436	69,529,170	5,755,310
	22XX-TRANSPORTATION	42,223,827	285,989	39,621,438	2,602,388	14,670,495	24,950,944	2,316,399
	23XX-RENT, COMM, UTILITIES	168,989,468	36,158,334	133,160,965	35,828,502	100,662,192	32,498,773	(329,831)
	24XX-PRINT & REPRO	4,865,421	620,542	3,602,690	1,262,731	2,813,976	788,714	642,189
	2501-MISSIONS-FOS	2,850,818,603	0	2,840,057,340	10,761,263	2,765,464,653	74,592,687	10,761,263
	25XX-OTHER SERVICES	1,699,504,063	727,284,033	943,387,337	756,116,726	734,520,241	208,867,095	28,832,693
	26XX-SUPPLIES & MATERIALS	509,210,628	87,976,473	409,206,735	99,943,893	247,847,876	161,418,859	11,967,421
	31XX-EQUIPMENT	192,071,157	23,569,642	150,653,165	41,417,992	72,085,174	78,567,992	17,848,351
	32XX-LAND & STRUCTURES	8,828,552	6,823,801	1,886,771	6,941,781	634,328	1,252,443	117,980
	4101-URBAN SEARCH & RESCUE	75,195,470	1	75,195,469	1	74,803,047	332,422	0
	5-ADMINISTRATION Total	5,799,810,322	894,950,501	4,852,897,873	946,912,448	4,063,080,417	789,817,456	61,961,947
GRANTS	411X-SUPERFUND	0	0	0	0	0	0	0
	41XX-GRANTS	0	0	0	0	0	0	0
GRANTS Total	0	0	0	0	0	0	0	
Grand Total	22,134,725,215	2,126,385,090	19,574,036,874	2,560,688,341	12,822,979,953	6,751,056,916	434,302,252	

APPENDIX F

RITA DECLARATIONS BY MAJOR OBJECT CLASS

PROGRAM AREA	PROGRAM NAME	ALLOCATIONS	UNOBLIGATED COMMITMENTS	OBLIGATIONS	UNOBLIGATED ALLOCATIONS(G)	UNOBLIGATED OBLIGATIONS	EXPENDITURES	ALLOCATION AVAILABLE
1-HUMAN SERVICES	2503-UNEMPLOYMENT	16,414,021	0	16,398,574	15,447	0	16,398,574	15,447
	2504-CRISIS COUNSELING-NIN	0	0	0	0	0	0	0
	2576-LEGAL SERVICES	5,000	0	0	5,000	0	0	5,000
	2592-INSPECTIONS	64,604,750	241,438	64,429,750	175,000	40,152,409	24,277,341	(66,438)
	4149-OTHER NEEDS ASSISTAN	79,000,000	0	79,000,000	0	11,093,021	67,906,979	0
	414X-HOUSING ASSISTANCE	1,019,972,241	0	1,019,971,342	899	171,425,185	848,546,157	899
	4152-CRISIS COUNSELING-SC	4,301,483	0	3,000,000	1,301,483	3,000,000	0	1,301,483
	4154-OTHER NEEDS ASSISTAN	68,880,000	0	68,880,000	0	22,628,024	46,251,076	0
	MANUFACTURED HOUSING	178,605,000	142,910,835	36,129,165	142,475,835	35,854,864	274,301	(435,000)
1-HUMAN SERVICES Total		1,431,782,495	143,152,273	1,287,808,831	143,973,664	284,154,404	1,003,654,427	821,391
2-INFRASTRUCTURE	2504-INSPECTIONS	11,770,600	2,375,000	7,298,900	4,471,700	7,298,900	0	2,096,700
	416X-PUBLIC ASSISTANCE	81,200,000	0	72,711,512	8,488,488	44,991,544	27,719,968	8,488,488
2-INFRASTRUCTURE Total		92,970,600	2,375,000	80,010,412	12,960,188	52,290,444	27,719,968	10,585,188
3-MITIGATION	2503-INSPECTIONS	12,844,977	750,040	6,399,937	6,445,040	6,399,937	0	5,695,000
3-MITIGATION Total		12,844,977	750,040	6,399,937	6,445,040	6,399,937	0	5,695,000
4-OPERATIONS	2507-MISSIONS-FA	1,100,000	0	1,100,000	0	1,100,000	0	0
	2508-MISSIONS-DFA	662,060,000	0	657,913,600	4,146,400	657,913,600	0	4,146,400
4-OPERATIONS Total		663,160,000	0	659,013,600	4,146,400	659,013,600	0	4,146,400
5-ADMINISTRATION	11XX-SALARIES & BENEFITS	5,564,108	0	15,779,115	(10,215,007)	0	15,779,115	(10,215,007)
	21XX-TRAVEL	12,765,200	101,480	11,780,367	984,833	3,142,141	8,638,226	883,353
	22XX-TRANSPORTATION	2,699,000	31,125	152,000	2,547,000	139,400	12,600	2,515,875
	23XX-RENT, COMM, UTILITIE	13,547,325	3,700,678	7,583,571	5,963,754	6,715,146	868,424	2,263,076
	24XX-PRINT & REPRO	1,013,000	306,200	539,476	473,524	438,038	101,438	167,324
	2501-MISSIONS-POS	424,154,685	0	416,489,685	7,665,000	416,489,685	0	7,665,000
	25XX-OTHER SERVICES	310,201,037	133,167,722	173,469,162	136,731,875	139,754,385	33,714,777	3,564,153
	26XX-SUPPLIES & MATERIAL	135,576,175	96,279,909	38,958,308	96,617,867	13,930,140	25,028,168	337,958
	31XX-EQUIPMENT	10,489,983	2,321,487	6,812,871	3,677,112	3,687,661	3,125,210	1,355,625
	32XX-LAND & STRUCTURES	400,000	400,000	0	400,000	0	0	0
	4101-URBAN SEARCH & RESC	22,470,000	120,000	22,350,000	120,000	22,344,376	5,624	0
5-ADMINISTRATION Total		938,880,513	236,428,601	683,914,556	244,965,958	606,640,972	87,273,983	8,537,357
GRANTS	41XX-GRANTS	0	0	0	0	0	0	0
GRANTS Total		0	0	0	0	0	0	0
Grand Total		3,139,638,585	382,705,914	2,727,147,335	412,491,250	1,608,499,357	1,118,647,978	29,785,336

APPENDIX F-4

APPENDIX F

PROGRAM AREA	PROGRAM NAME	ALLOCATIONS	UNOBLIGATED COMMITMENTS	OBLIGATIONS	UN-OBLIGATED ALLOCATION \$(c)	UNLIQUIDATED OBLIGATIONS	EXPENDITURES	ALLOCATION AVAILABLE
1-HUMAN SERVICES	2503-UNEMPLOYMENT	5,770,125	0	5,770,125	0	0	5,770,125	0
	2576-LEGAL SERVICES	5,000	5,000	0	5,000	0	0	0
	2592-INSPECTIONS	39,202,400	0	39,133,000	69,400	36,474,400	2,658,600	69,400
	4149-OTHER NEEDS ASSISTANCE	183,000,000	0	183,000,000	0	37,298,063	145,701,937	0
	414X-HOUSING ASSISTANCE	150,195,000	0	150,195,000	0	43,019,323	107,175,677	0
	4152-CRISIS COUNSELING-SCC	1,848,196	0	0	1,848,196	0	0	1,848,196
	MANUFACTURED HOUSING	85,950,000	18,734,111	61,178,759	24,771,241	55,667,797	5,510,962	6,037,130
1-HUMAN SERVICES Total		465,970,721	18,739,111	439,276,884	26,893,837	172,459,583	266,817,300	7,954,726
2-INFRASTRUCTURE	2594-INSPECTIONS	13,086,800	7,745,000	5,341,800	7,745,000	5,341,800	0	0
	416X-PUBLIC ASSISTANCE	67,050,000	0	56,491,461	10,558,539	56,491,461	0	10,558,539
2-INFRASTRUCTURE Total		80,136,800	7,745,000	61,833,261	18,303,539	61,833,261	0	10,558,539
3-MITIGATION	2593-INSPECTIONS	1,000,000	300,100	599,900	400,100	599,900	0	100,000
	3-MITIGATION Total	1,000,000	300,100	599,900	400,100	599,900	0	100,000
4-OPERATIONS	2507-MISSIONS-TA	1,500,000	0	700,000	800,000	700,000	0	800,000
	2508-MISSIONS-DFA	233,350,000	0	233,300,000	50,000	233,300,000	0	50,000
4-OPERATIONS Total		234,850,000	0	234,000,000	850,000	234,000,000	0	850,000
5-ADMINISTRATION	11XX-SALARIES & BENEFITS	8,422,700	0	8,409,327	13,373	0	8,409,327	13,373
	21XX-TRAVEL	5,909,700	670,437	5,183,361	726,339	2,711,797	2,471,564	55,902
	22XX-TRANSPORTATION	10,675,000	410,000	10,235,440	439,560	10,191,631	43,809	29,560
	23XX-RENT, COMM, UTILITIES	2,900,000	1,344,189	1,419,698	1,480,302	1,419,698	0	136,113
	24XX-PRINT & REPRO	323,500	107,092	176,283	147,218	172,783	3,500	40,125
	2501-MISSIONS-FOS	132,100,000	0	131,779,012	320,988	131,779,012	0	320,988
	25XX-OTHER SERVICES	14,650,000	10,814,477	1,682,428	12,967,572	1,682,428	0	2,153,095
	26XX-SUPPLIES & MATERIALS	78,970,000	4,999,926	71,662,815	7,307,185	71,436,920	225,895	2,307,259
	31XX-EQUIPMENT	1,585,000	7,796	444,113	1,140,887	435,539	8,575	1,133,091
	32XX-LAND & STRUCTURES	28,446	28,446	0	28,446	0	0	0
	4101-URBAN SEARCH & RESCUE	6,216,000	0	6,216,000	0	6,216,000	0	0
5-ADMINISTRATION Total	261,780,346	18,382,363	237,208,477	24,571,869	226,045,807	11,162,670	6,186,507	
GRANTS	41XX-GRANTS	0	0	0	0	0	0	0
GRANTS Total		0	0	0	0	0	0	0
Grand Total		1,043,737,867	45,166,574	972,918,521	70,819,346	694,938,551	277,979,970	25,652,772

APPENDIX G

Useful Website Links

This appendix provides useful website links, related to hurricane relief and recovery activities mentioned in this report.

PCIE/ECIE:

<http://www.ignet.gov/pande/hsr/oigplanoverview.pdf>

Department of Homeland Security (OIG) Katrina Oversight Page:

[http://www.dhs.gov/dhspublic/interapp/editorial/Copy_\(2\)_of_editorial_0602.xml](http://www.dhs.gov/dhspublic/interapp/editorial/Copy_(2)_of_editorial_0602.xml)

Department of Homeland Security (Emergency and Disasters):

<http://www.dhs.gov/interweb/assetlibrary/katrina.htm>

Department of Justice Katrina Fraud Task Force:

http://www.usdoj.gov/katrina/Katrina_Fraud/

FBI Katrina/Rita Information Page:

<http://www.fbi.gov/katrina.htm#vgn-hurricane-katrina-fraud-task-force-vgn>

Center for Philanthropy, Indiana University (Katrina and Rita private donations)

http://www.philanthropy.iupui.edu/Hurricane_Katrina.html

APPENDIX H

PCIE / ECIE Contributing Members

This appendix provides the contact information for PCIE / ECIE members who contributed to this 90-report on hurricane recovery oversight.

DEPARTMENT OF AGRICULTURE (USDA)

Phyllis K. Fong, Inspector General
1400 Independence Avenue, SW
Room 117-W, Jamie L. Whitten Building
Washington, DC 20250
(202) 720-8001
Website: <http://www.usda.gov/oig>
Hotlines: (202) 690-1622 (800) 424-9121
Hearing impaired: (202) 690-1202

DEPARTMENT OF COMMERCE (DOC)

Johnnie E. Frazier, Inspector General
14TH and Constitution Avenue, NW
HCHB 7898-C
Washington, DC 20230
(202) 482-4661
Website: <http://www.oig.doc.gov/oig>
Hotlines: (202) 482-2495 (800) 424-5197
Hearing impaired: (800) 854-8407

DEPARTMENT OF DEFENSE (DOD)

Thomas S. Gimble, Acting Inspector General
400 Army Navy Drive
Arlington, VA 22202
(703) 604-8300
Website: <http://www.dodig.mil>
Hotlines: (703) 604-8569 (800) 424-9098
Hotline website: www.dodig.mil/HOTLINE/fwa-compl.htm

DEPARTMENT OF EDUCATION (ED)

John P. Higgins, Jr., Inspector General
400 Maryland Avenue, SW
Washington, DC 20024
(202) 245-6900
Website: <http://www.ed.gov/about/offices/list/oig>
Hotline: 800-MIS-USED
Hotline E-mail: oighotline@ed.gov

DEPARTMENT OF ENERGY (DOE)

Gregory H. Friedman, Inspector General
1000 Independence Avenue, S.W.
Washington, DC 20585
(202)586-4393
Website: <http://www.ig.doe.gov>
Hotline: (202) 586-4073 1(800) 541-1625
Hotline email: ighotline@hq.doe.gov

DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)

Daniel Levinson, Inspector General
330 Independence Avenue, SW, Room 5250
Washington, DC 20201
(202) 619-3148
Website: <http://oig.hhs.gov>
Hotline: (800) 447-8477
Hotline E-mail: Hotline@oig.hhs.gov

DEPARTMENT OF HOMELAND SECURITY (DHS)

Richard L. Skinner, Inspector General
245 Murray Drive, Building 410
Washington, DC 20528
(202) 254-4100
Website: http://www.dhs.gov/dhspublic/interapp/editorial/editorial_0330.xml
Hotline: (800) 323-8603

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Kenneth M. Donohue, Inspector General
451 Seventh Street, SW
Washington, DC 20410
(202) 708-0430
Website: <http://www.hud.gov/offices/oig>
Hotline: (800) 347-3735

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DEPARTMENT OF THE INTERIOR (DOI)

Earl E. Devaney, Inspector General
1849 C Street, NW
Washington, DC 20240
(202) 208-5745
Website: <http://www.oig.doi.gov>
Hotline: (800) 424-5081

DEPARTMENT OF JUSTICE (DOJ)

Glenn A. Fine, Inspector General
950 Pennsylvania Avenue, NW, Room 4706
Washington, DC 20530
(202) 514-3435
Website: <http://www.usdoj.gov/oig>
Hotline: (800) 869-4499
Hotline E-mail: oighotline@usdoj.gov

DEPARTMENT OF LABOR (DOL)

Gordon S. Heddell, Inspector General
200 Constitution Avenue, NW, Room S5502
Washington, DC 20210
(202) 693-5100
Website: <http://www.oig.dol.gov>
Hotlines: (202) 693-6999 (800) 347-3756

DEPARTMENT OF TRANSPORTATION (DOT)

Kenneth M. Mead, Inspector General
400 7TH Street, SW, Room 9210
Washington, DC 20590
(202) 366-1959
Website: <http://www.oig.dot.gov>
Hotlines: (202) 366-1461 (800) 424-9071

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION (TIGTA)

J. Russell George, Inspector General
1125 15th Street, NW
Washington, DC 20005
(202) 622-6500
Website: <http://www.treas.gov/tigta>
Hotline: (800) 366-4484

DEPARTMENT OF VETERANS AFFAIRS (VA)

George Opfer, Inspector General
810 Vermont Avenue, NW
Washington, DC 20420
(202) 565-8620
Website: <http://www.va.gov/oig>
Hotline: (800) 488-8244
Hotline E-mail: VAOIGHOTLINE@VA.GOV

ENVIRONMENTAL PROTECTION AGENCY (EPA)

Nikki L. Tinsley, Inspector General
1200 Pennsylvania Avenue, NW
Mailcode 2410T
Washington, DC 20460
(202) 566-0847
Website: <http://www.epa.gov/oig>
Hotlines: (202) 566-2476 (888) 546-8740
Hotline E-mail: OIG_hotline@epa.gov

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Patricia M. Black, Acting Inspector General
801 17TH Street, NW
Washington, DC 20434
(202) 416-2026
Website: <http://www.fdicig.gov>
Hotline: (800) 964-3342
Hotline E-mail: ighotline@fdic.gov

GENERAL SERVICES ADMINISTRATION (GSA)

Brian D. Miller, Inspector General
18th and F Streets, NW
Washington, DC 20405
(202) 501-0450
Website: <http://oig.gsa.gov>
Hotlines: (202) 501-1780 (800) 424-5210

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

Robert W. Cobb, Inspector General
300 E Street, NW, Room 8U70
Washington, DC 20546
(202) 358-1220
Website: <http://oig.nasa.gov>
Hotline: (800) 424-9183
Hotline Website: <http://oig.nasa.gov/cyberhotline.html>

SMALL BUSINESS ADMINISTRATION (SBA)

Peter L. McClintock, Acting Inspector General
409 Third Street, SW
Washington, DC 20416
(202) 205-6586
Website: <http://www.sba.gov/IG>
Hotline: (800) 767-0385

SOCIAL SECURITY ADMINISTRATION (SSA)

Patrick P. O'Carroll, Jr., Inspector General
Room 300, Altmeyer Building
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Baltimore, MD 21235
(410) 966-8385
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Hotline: (800) 269-0271

U.S. POSTAL SERVICE (USPS)

Dave Williams, Inspector General
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(703) 248-2300
Website: <http://www.uspsoig.gov>
Hotline: (888) 877-7644

*To date, some Offices of Inspector General and their Departments and Agencies have not received any hurricane relief-related funding or only a small portion of the funds; therefore, future efforts of these OIGs will depend on the amount of money received and how those funds are used.

APPENDIX I

PCIE / ECIE Oversight Audit Model

This appendix is the audit model provided to federal agencies in October 2005 to help coordinate oversight work, using a program-by-program focus based on post-disaster time phasing.

PCIE / ECIE Hurricane Oversight Audit Model

Phase I Response	Phase II Individual Assistance & Transition	Phase III Recovery and Reconstruction/Hazard Mitigation
<p>Players</p> <p>DHS FEMA, USCG, FPS</p> <p>DOD USA, COE, USN, DLA</p> <p>DOT, GSA, HHS, EPA, USDA, DOJ, HUD</p> <p>State and Local Governments</p>	<p>Players</p> <p>WHITE HOUSE DHS FEMA, USM, OCPO DOD, COE HHS, HUD SBA, DOL DOJ, USDA Education</p> <p>State & Local Governments</p>	<p>Players</p> <p>DHS FEMA GSA VA HHS HUD DOT USPS DOD COE DOC SBA for PNP's</p> <p>USDA</p> <p>State & Local Governments</p>
<p>Major Activities</p> <p>Preparedness Mass Sheltering Evacuation Emergency Supplies Communications Health, Safety & Medical Debris Removal Contracting Emergency Protective Measures Preliminary Damage Assessments</p>	<p>Major Activities</p> <p>Preparation Temporary/Transitional Housing Individual and Household Assistance Essential Needs Debris Removal Detailed Damage Assessments Reconstruction Planning Contracting NFIP Coverage</p>	<p>Major Activities</p> <p>Public Assistance Grants Facility Inspections Design - A&E Construction Repair HMGP – future Long-term Community Recovery & Mitigation</p>
<p>Landfall to Six Months Out</p>	<p>Landfall to Two Years Out</p>	<p>Landfall to Five Years Out</p>

APPENDIX I

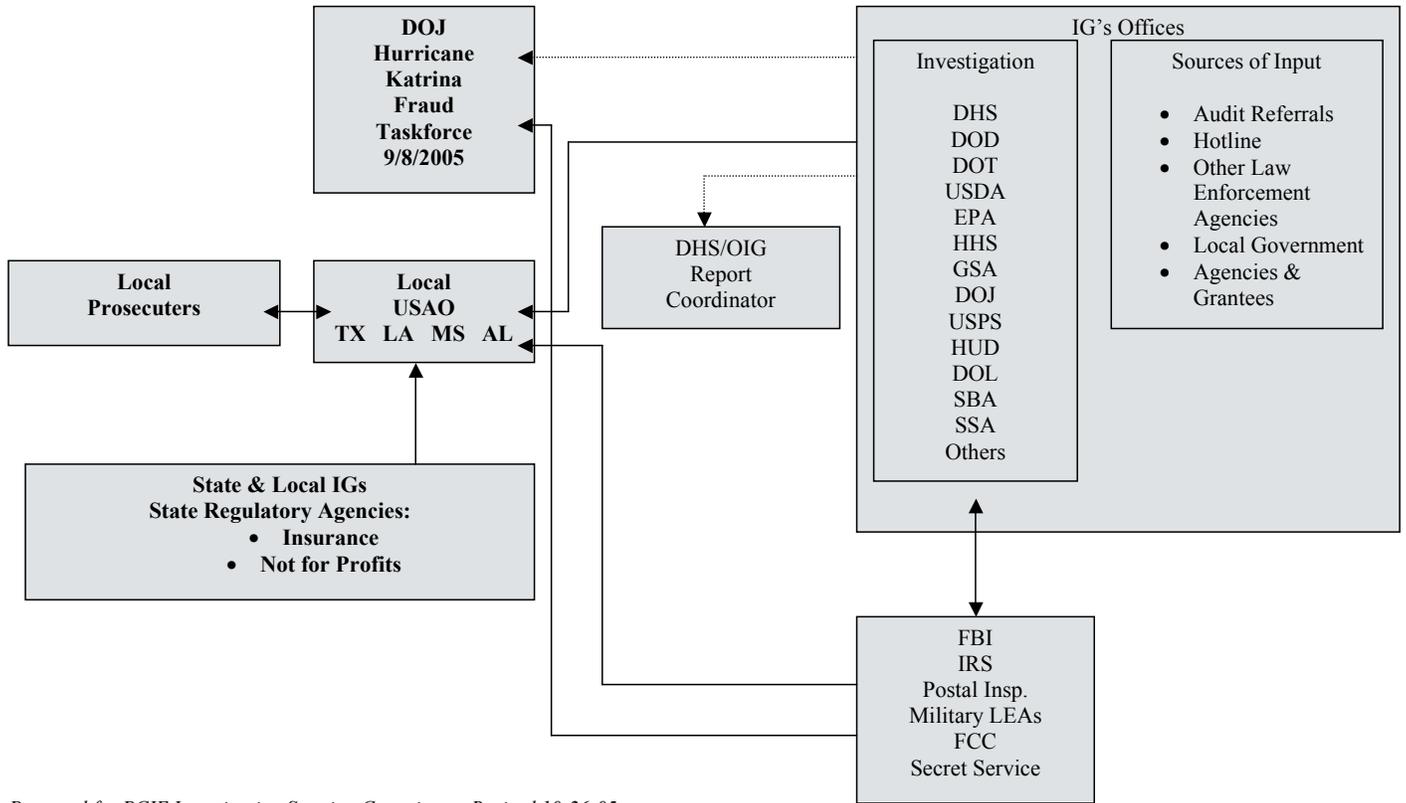
APPENDIX I-2

APPENDIX J

PCIE / ECIE Investigation Coordination Model

This appendix is a coordination model provided to federal agencies in October 2005 to help coordinate oversight federal, state and local law enforcement actions and provide information sharing among all agencies.

PCIE / ECIE Hurricane Relief Investigation Coordination Model



Prepared for PCIE Investigation Steering Committee – Revised 10-26-05

ACRONYMS

ORGANIZATIONS	
Acronym	Definition
AFAA	Air Force Audit Agency
AAA	Army Audit Agency
ARC	Appalachian Regional Commission
CIA	Central Intelligence Agency
CNCS	Corporation for National and Community Service
DCAA	Defense Contract Audit Agency
DHS	Department of Homeland Security
DHS JFO	DHS Joint Field Office
DHS OHO	DHS Office for Hurricane Oversight
DHS OIG	DHS Office of Inspector General
DISA	Defense Information Systems Agency
DoC	Department of Commerce
DoC EDA	DoC Economic Development Authority
DoC HCIC	DoC Hurricane Contracting Information Center
DoC MBDA	DoC Minority Business Development Agency
DoD	Department of Defense
DoDIG	Department of Defense Inspector General
DoE	Department of Energy
DoED	Department of Education
DoI	Department of Interior
DoI BIA	DoI Bureau of Indian Affairs
DoI BuRec	DoI Bureau of Reclamation
DoJ	Department of Justice
DoJ BJA	DoJ Bureau of Justice Assistance
DoJ FBP	DoJ Federal Bureau of Prisons
DoJ OJP	Office of Justice Programs
DoL	Department of Labor
DoS	Department of State
DoT	Department of Transportation
DoT FAA	DoT Federal Aviation Administration
DoT FHA	DoT Federal Highway Administration

ACRONYMS

ORGANIZATIONS	
Acronym	Definition
DoT FRA	DoT Federal Railroad Administration
DoT FTA	DoT Federal Transit Administration
DoT MARAD	DoT Maritime Administration
ECIE	Executive Council on Integrity and Efficiency
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
FCC	Federal Communications Commission
FCSIC	Farm Credit System Insurance Corporation.
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FMSHRC	Federal Mine Safety and Health Review Commission
GAO	Government Accountability Office
GSA	General Services Administration
HHS	Department of Health and Human Services
HHS AoA	HHS Administration on Aging
HHS ACF	HHS Administration for Children and Families
HHS CCB	HHS Child Care Bureau
HHS CDCP	HHS Centers for Disease Control and Prevention
HHS CMS	HHS Centers for Medicare and Medicaid Services
HHS HSB	HHS Head Start Bureau
HHS HSRA	HHS Health Services Resource Administration
HHS SAMHSA	HHS Substance Abuse and Mental Health Services Administration
HHS OPHEP	HHS Office of Public Health Emergency Preparedness
HUD	Department of Housing and Urban Development
HUD PHA	Public Housing Agency
IRS	Internal Revenue Service
LOLA	Louisiana Office of the Legislative Auditor
MSC	Military Sealift Command
MSPB	Merit Systems Protection Board
NAR	National Association of Realtors
NASA	National Aeronautics and Space Administration
NAS	Navy Audit Service

ACRONYMS-2

ACRONYMS

ORGANIZATIONS	
Acronym	Definition
NCUA	National Credit Union Administration
NLRB	National Labor Relations Board
NOAA	National Oceanographic and Atmospheric Administration
NTIA	National Telecommunications and Information Administration
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSHA	Occupational Safety and Health Administration
PCIE	President's Council on Integrity and Efficiency
PCIE HSR	PCIE Homeland Security Roundtable
SBA	Small Business Administration
SBA DAPDC	SBA Disaster Assistance Processing and Disbursement Center
SSA	Social Security Administration
TIGTA	Treasury Inspector General for Tax Administration
TVA	Tennessee Valley Authority
USA	U.S. Army
USAF	U.S. Air Force
USACE	U.S. Army Corps of Engineers
USDA	United States Department of Agriculture
USDA APHIS	USDA Animal and Plant Health Inspection Service
USDA ECP	USDA Emergency Conservation Program
USDA EWP	USDA Emergency Watershed Protection Program
USDA FNS	USDA Food and Nutrition Service
USDS FS	USDA Forestry Service
USDA FSA	USDA Farm Service Agency
USDA NRCS	USDA Natural Resources Conservation Service
USDA NRCE DADDP	USDA NRCS Dead Animal Debris Disposal Program
USDA RHS	USDA Rural Housing Service
USDA RMA	USDA Risk Management Agency
USMC	U.S. Marine Corps
USN	U.S. Navy
USPHS	U.S. Public Health Service

ACRONYMS

ORGANIZATIONS	
Acronym	Definition
US TREAS	U.S. Treasury Department
USPS	United States Postal Service
VA	Department of Veterans Affairs
VA-NPSC	Virginia National Processing Service Center

GLOSSARY

Glossary

Direct/Support

Direct disaster programs provide resources to specifically address the short-, medium-, and long-term consequences of an event on both individuals and communities for declared disasters, emergencies, and fire management assistance grants. Direct costs also support pre-declaration activity (e.g., pre-positioning equipment and people, before a hurricane strikes). Disaster support programs allow the Federal Emergency Management Agency (FEMA) to maintain critical, ongoing disaster operations and support infrastructure that supports the timely delivery of all of FEMA's disaster assistance programs. These resources provide for disaster-related support activities, which encompass ongoing operational capabilities that are not readily attributable to any one specific declared disaster.

Allocations

Funds set aside for declarations based on estimated needs for the next 30 days or less.

Appropriations

Funds made available by Congress to the other branches of government.

Apportioned

After monies are made available by Congress, federal funds are apportioned by the Office of Management and Budget to other federal departments and agencies.

Commitments

Funds reserved in the financial system based on specific requisitions in anticipation of their obligation.

Expended

Funds spent by federal departments and agencies.

Obligations

Obligations are recorded against allocated funds when contracts are signed, grants awarded, trips taken, mission assignments signed, etc.

Mission Assignments

- Through Mission Assignments, FEMA tasks and reimburses other federal agencies (OFAs) for providing services under the Stafford Act. These Mission Assignments fall into three categories:
- *Technical Assistance (TA)*. OFAs provide expertise to States; 100% Federally funded; No State cost share
- *Direct Federal Assistance (DFA)*. Requested by State; subject to State cost share (Unless waived in response timeframe); Goods and services provided to the State to save lives and protect property

GLOSSARY

- *Federal Operations Support (FOS).* 100% federally funded; No State cost share; Fed-to-Fed field operations support. This category reflects agreements with Federal agencies to perform services such as providing search and rescue operations, health and medical support, assisting with disease prevention and control, transportation of disaster victims, and delivery of food, water and other essential commodities to disaster victims.

Human Services Categories

- *Unemployment.* Disaster Unemployment Assistance for individuals who lose their job as a result of a President-declared disaster and are not covered by regular unemployment insurance.
- *Crisis Counseling.* Short-term services, provided by FEMA as supplemental funds granted to State and local mental health agencies, available to eligible survivors of President-declared major disasters.
- *Legal Services.* Legal advice for low-income individuals regarding cases that will not produce a fee, provided by The Young Lawyers Division of the American Bar Association, through an agreement with FEMA.
- *Inspections.* Inspections to assess disaster damage.
- *Other Needs Assistance.* Medical, dental, funeral cost, transportation cost and other disaster-related needs within a total cap for Individual Assistance of \$26,200 per individual or household.
- *Housing Assistance.* Lodging expenses reimbursement (for a hotel or motel), rental assistance, home repair cash grant and home replacement cash grants within a total cap for Individual Assistance of \$26,200 per individual or household.

Mitigation

Hazard Mitigation. Long-term hazard mitigation measures after a major disaster declaration. The purpose of the program is to reduce the loss of life and property due to natural disasters and to enable mitigation measures to be implemented during the immediate recovery from a disaster

Additional Information and Copies

To obtain additional copies of this report, call the Department of Homeland Security Office of Inspector General (OIG) at (202) 254-4100, fax your request to (202) 254-4285, or visit the Department of Department of Homeland Security OIG web site at **www.dhs.gov/oig** or the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency Homeland Security Roundtable web site at **<http://ignet.gov/pande/hsr1.html#relief>**.

Hurricane Relief Fraud Hotline

If you have knowledge of fraud, waste, abuse, or allegations of mismanagement involving hurricane relief operations, you can:

- Call the Hurricane Relief Fraud Hotline at (866) 720-5721
- Fax the Hurricane Relief Fraud Hotline at (703) 604-8567
- Email: katrinafraud@dodig.mil
- Or write: Hurricane Relief Hotline
Washington, D.C. 20301-1900

Calls can be made anonymously and confidentially.